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Algeria	6.00 Dz.	Iraq	15.70 Dz.
Austria	17 S. Italy	Iraq	1200 Lire
Bahrain	6.60 Dz.	Jordan	4.00 Dz.
Belgium	1.00 Dz.	Lebanon	6.50 Dz.
Canada	C\$ 1.10	Kuwait	1.00 Dz.
Cyprus	325 Mts.	Liberia	0.40 Dz.
Denmark	7.00 Dkr.	Lybia	0.35 Dz.
Egypt	100 L.	Morocco	4.00 Dz.
Finland	2.00 F.	Morocco	80 Dz.
Germany	2.20 D.M.	Turkey	1.20 D.M.
Great Britain	40 P.	U.S. Mts.	50.25 D.
Greece	60 Drs.	U.S. Mts.	50.25 D.
Iraq	175 K.	Venezuela	76 D.

ESTABLISHED 1887

Head of Marines Satisfied With Beirut Security

By William Claiborne
Washington Post Service

BEIRUT — As early U.S. marines took unusual precautions around their bases Tuesday, the Marine Corps commandant, General Paul X. Kelley, said he was "totally satisfied" with the security procedures that were in place before Sunday's terrorist bombing. The latest confirmed figures from the explosion put the Ameri-

can officials are distancing themselves from the U.S. presence in Lebanon. Page 4.

can dead at 214, with about 20 still missing. The French command said 38 of its paratroopers were dead and 20 missing as a result of a separate bombing Sunday.

Amid criticism in the United States that the marines had not been adequately prepared for the kind of suicide mission that flattened the Battalion Landing Team headquarters at Beirut International Airport, General Kelley said he had inspected the Marine base twice before the blast.

"I think we had very adequate security measures. . . . One has to realize if you have a determined individual who is willing to give up his life, chances are he's going to get through and do that," General Kelley told reporters.

Shortly before he spoke, the Marine compound was on full alert following reports that three bomb-laden vehicles had been seen driving on an airport perimeter road near the base. Marines and reporters took to sandbag bunkers and foxholes as nervous young marines in full combat gear sealed off the base and searched suspicious-looking vehicles.

However, the alert status was lifted later in the afternoon without an explanation of what had become of the suspect trucks.

The same reports caused U.S. Embassy employees to vacate temporary quarters in the seaside British Embassy and another building nearby. The regular U.S. Embassy office was destroyed in April in a bombing that was almost identical in pattern to the destruction of the

(Continued on Page 2, Col. 5)

Court in Manila Allows Anti-American Protest

United Press International

MANILA — The Philippine Supreme Court ruled Tuesday in favor of an opposition challenge to the government of President Ferdinand E. Marcos for the first time in 11 years, granting permission for a protest against U.S. military bases.

The decision will lead to more demonstrations against the Marcos government, an opposition leader, Senator José Diokno, said.

Acting on a petition from Mr. Diokno's Anti-Bases Coalition, the court ruled that "the right to freedom of assembly is not to be limited much less denied; except on a showing of clear and present danger."

The government said it had denied permits for all opposition public rallies because communist terrorists planned to use the protests to stir up violence that would be blamed on the government.

However, the court said, "the possibility that subversives may infiltrate the ranks of the demonstrators is not enough" to justify the restriction of the right to free speech.

The court decision, 10-1, was the first to support an opposition petition against the government since Mr. Marcos declared martial law in 1972, legal sources said.

The ruling gave approval for a demonstration against U.S. military bases planned for a meeting in front of the U.S. Embassy.

The demonstration, concluding a three-day international nuclear disarmament meeting, is designed to rouse public opinion against the bases.

At the opening of the conference, Mr. Diokno said the bases have

made the Philippines a "primary target" for nuclear attack.

U.S. officials say the bases, among the largest outside the United States, are needed for U.S. defense policy in the Pacific and Indian oceans.

Mr. Diokno said the court decision should also apply to permits for demonstrations against the Marcos government. As a result, he said, organizers will move ahead with plans for big protests by women and children starting Friday.

Meanwhile, sources in Manila International Airport said military agents using a secret, closed-circuit television system may have videotapes showing the Aug. 21 assassination of the opposition leader Benigno S. Aquino Jr.

The sources said the West German-designed monitoring system which was turned over to the military last year includes a remote-controlled camera capable of scanning the area of the airport where Mr. Aquino was shot.

A visual check Tuesday confirmed the camera's placement above the tarmac at Gate 8, where both Mr. Aquino and his alleged assassin were killed.

There was no mention of the system in any of the investigative reports so far filed by authorities looking into the assassination.

Representatives of Maschinen und Technik (Matach), the West German company that designed and helped install the system, said it was turned over to the Aviation Security Command, or Avascom, in April last year. Avascom was in charge of airport security the day Mr. Aquino was shot.

A Trek Over Afghanistan's 'Ho Chi Minh Trail'

Following the Mujahidin Infiltrators Is an Ordeal of Fatigue and Fear

By William Branigin
Washington Post Service

SHOMALI PLAIN, Afghanistan — We reached the crest of the hill at dusk and gazed out over the vast plain below. In the distance ahead and to the left shimmered the lights of Bagram, site of the Russians' biggest air base in Afghanistan and probably their most heavily guarded military installation in the country. Ahead and to the right, tracer bullets flashed low across the landscape between two villages, accompanied by the sounds of battle.

In the hours to come, we would have to thread our way between those two zones. But several miles separated them, and the land was mercifully flat. After the seemingly endless mountains we had crossed during the previous six days, I looked forward to easier going.

It was not to be. What followed was my longest night in Afghani-

stan, and my severest ordeal. It became a nightmare that made me curse my editors, the entire newspaper business and my own folly for ever having accepted an assignment to accompany the mujahidin.

AFGHANISTAN

Inside a Soviet War Zone

Second of five articles

The Afghan Moslem guerrillas battling the Soviet occupation of their country.

The trip started in Peshawar, capital of Pakistan's wild and woolly North-West Frontier province, where the various Afghan guerrilla groups maintain their political headquarters in exile. There, I made arrangements with Jamiat-i-Islami, or the Islamic Society of Afghanistan, which many observers consider the strongest resistance group in the country. I would

accompany a Jamiat team to the battle-scarred Panjshir Valley to meet the party's foremost guerrilla commander, Ahmed Shah Massoud, and see the organization he had built up.

It was not long after leaving Peshawar in a jeep on Aug. 5 that I heard the first shots fired in anger during my six-week trip. From a village near the road came the sounds of a rocket-propelled grenade launcher and automatic rifles, the result of some new misunderstanding between rival tribes who periodically wage open warfare in the tribal areas along the Afghan border.

After passing through the Pakistani town of Parachinar and bouncing across a wide, rocky riverbed, we reached the sprawling Afghan refugee settlement of Temi Mangal. Adobe-like buildings, some two stories high, stood on the older sites. Tents sheltered the new arrivals. Heavily decorated trucks and

buses were parked up and down the main road.

The maze of paths to the side, turned to mud by a summer squall, bustled with Afghans preparing caravans of horses and donkeys for trips "inside." Piles of supplies — medicines and dextrose from various countries, new Chinese-made Kalashnikov assault rifles, heavy machine guns and anti-tank mines, ammunition for rocket-propelled grenade launchers and various other weapons — lay on the ground ready to be tied onto the pack animals. The sound of weapons being test-fired echoed through the surrounding hills.

I made arrangements to rent space for my backpack on a horse at the rate of 1,000 afghanis, or \$11.62, per 15 pounds (6.8 kilograms) for the trip to the Panjshir. The charge came to \$17.44. On the way back I would happily rent the whole horse.

The next morning we set off. At first there were four of us: Agha Gul, the guide, a former policeman from Kabul; Homayun Tandar, a 26-year-old architecture graduate of the Sorbonne and fluent French-speaker who represents Jamiat in Paris; a British free-lance cameraman, and I.

All wore the traditional Afghan clothes: baggy trousers and long, loose shirt. None of us was armed.

Other members of our group, as well as our pack horses, went on ahead. Over the next 11 days we would split up, get lost, regroup, be joined by various armed mujahidin, and separate again. Thus, the

(Continued on Page 7, Col. 1)

Hundreds Are Reported Killed in Attack on Afghan Town

New York Times Service

NEW DELHI — Several hundred men, women and children were killed in Soviet and Afghan government attacks earlier this month on a small town north of Kabul, a Western diplomatic report from the Afghan capital said Tuesday.

A Western diplomat in New Delhi, quoting the embassy report, said the figure of hundreds of deaths was a low estimate of civilian casualties in the attacks on Istalif, in the

Shomali Valley, between Oct. 12 and Oct. 17. Assaults on neighboring villages apparently continued until last week.

A report last week said that MiG fighter-bombers and helicopter gunships, backed by artillery and tank fire, leveled half of the town and destroyed most of its ancient market. Tuesday's report said that at least three other villages were badly hit, but had no details of casualties in those settlements.

The casualties in the attacks on suspected guerrilla positions in Istalif, a town of 2,500, are among the highest recorded in a single assault during the four-year war between Moslem insurgents and the forces of President Babrak Karmal.

At least 36 Soviet soldiers were killed and several captured after the rebels who escaped from Istalif regrouped and counterattacked. Rebel casualties were said to be high. Istalif is 15 miles (24 kilometers) north of Kabul.

(Continued on Page 7, Col. 1)



President Reagan and Prime Minister Eugenia Charles of the Commonwealth of Dominica at a news conference Tuesday in Washington on the invasion of Grenada.

Reagan Says Nations Asked U.S. for Help

By Patrick E. Tyler
Washington Post Service

around St. George's, Grenada's capital and largest city.

Mr. Reagan said Tuesday that he had authorized the invasion to "protect innocent lives" and "forestall further chaos" on the island and to restore "democratic institutions" after a coup in which a brutal group of leftist thugs violently seized power.

The president announced the invasion in the White House briefing room early Tuesday morning. Declaring that "American lives are at stake," Mr. Reagan said he had "received reports that large numbers of our citizens were seeking to escape the island, thereby exposing themselves to great danger," and "I concluded the United States had

(Continued on Page 2, Col. 5)

U.S. Invades Grenada; Cubans, Russians Seized

Compiled by Our Staff From Dispatches

BRIDGETOWN, Barbados — Troops from the United States and six Caribbean nations invaded Grenada on Tuesday, seizing two airports and taking Cuban and Soviet prisoners.

The invasion by 1,900 U.S. marines and Army Rangers, backed by helicopter gunships, was launched less than a week after Grenada's Cuban-trained military seized power and killed Prime Minister Maurice Bishop and 16 others.

The initial invasion was carried out entirely by U.S. marines and Rangers. A contingent of about 300 troops and police officers from Caribbean allies was brought in later by U.S. planes after the airports had been secured, U.S. officials said.

Three U.S. military men were killed in the invasion, the U.S. secretary of defense, Caspar W. Weinberger, told members of Congress. Sources quoted by The Associated Press said no reliable figures were available on the number wounded.

Defense officials said U.S. forces sustained "minimal casualties" in the assault and the capture of Pearls Airport, where a runway is being built by Cubans, and St. George's University. Resistance by Grenadian soldiers and their Cuban allies continued through the day.

The U.S. troops clashed with members of a Cuban work force at a new airport at Point Salines. Thirty Soviet advisers and 600 Cubans were captured in the invasion, U.S. officials said. There was no immediate word on losses within the Grenadian armed forces.

The Caribbean Broadcasting Corp., by the government of Barbados, said a U.S. helicopter had been shot down and its pilot injured during the landing. The report could not be confirmed.

The network also said four Cubans had been killed.

President Ronald Reagan, speaking at a news conference in Washington, said the invasion had been launched at the request of the six Caribbean nations, "to forestall further chaos" and to assist in restoring "conditions of law and order."

In Havana, the official Cuban news agency, Prensa Latina, said there had been losses among armed Cuban workers at the airport in Point Salines.

"After being attacked by powerful Yankee forces from various directions, Cuban personnel in construction and collaborators in the president's office," said Prensa Latina, "were shot dead and then using Cuban, Western and Latin American news reports. These accounts were complemented by angry commentaries by Tass analysts."

The sharpest of these commentaries declared that the United States had staged a "direct, unprovoked aggression" against an independent state, and that "the whole responsibility for the consequences of this criminal action lies on Washington's administration and personally on President Reagan."

[As details of the invasion became known, international reaction proved for the most part negative. The Associated Press reported. Among the United States' European allies, Great Britain expressed strong reservations about the attack on the Commonwealth nation and France expressed surprise.]

Tass said: "Peace-loving man-

The Associated Press reported from Washington.

Calling the invasion a "complete success," Mr. Reagan said the joint force had captured the airport at Point Salines, Pearls Airport and St. George's University, where many of the U.S. residents are students.

U.S. officials also said members of the military council that seized control of the island after the killing of Mr. Bishop would be arrested.

Reports from Americans on Grenada indicated that they were out of danger. Dr. Charles Modica, chancellor of St. George's University, issued a statement in New York saying that U.S. students and faculty at the medical school were safe.

Within hours of the landing, the joint forces set up a radio transmitter and began broadcasting messages warning Grenada's 110,000 residents to stay inside their homes. An announcement said U.S. troops had taken action "at the request of your Caribbean neighbors."

Promised by [Mr. Bishop's] New Jewel Movement to institute a constitution and to hold elections have never been honored. The new defense forces participated in a radio transmission message warning Grenada's 110,000 residents to stay inside their homes. An announcement said U.S. troops had taken action "at the request of your Caribbean neighbors."

In New York, Prime Minister Edward Seaga of Jamaica said Tuesday that the members of the Caribbean forces would stay for up to six months to help stabilize the country. In a telephone interview with a U.S. television network, Mr. Seaga said U.S. forces would stay only a few days and Caribbean allies continued through the day.

The U.S. troops clashed with members of a Cuban work force at a new airport at Point Salines. Thirty Soviet advisers and 600 Cubans were captured in the invasion, U.S. officials said. There was no immediate word on losses within the Grenadian armed forces.

The president announced the invasion to the full wrath of the Soviet press.

MOSCOW — The Soviet press on Tuesday unleashed a torrent of invective against the U.S.-led invasion of Grenada, calling it an "act of undisguised banditry and international terrorism" designed to "subordinate Grenada to U.S. neo-colonial rule."

Throughout the day, the Tass news agency reported developments of the small Caribbean islands with unusual frequency, citing Grenada radio until it went dead and then using Cuban, Western and

Suicide Driver 'Was Smiling' As His Truck Hit, Marine Says

By Don A. Schanche
Los Angeles Times Service

BEIRUT — The suicide driver of the truck carrying the bomb that demolished the U.S. Marine Corps headquarters building here Sunday was smiling as he crashed through the barricades in front of the structure, according to a young marine who escaped unharmed.

At nearby Marine offices, Lance Corporal Robert Calhoun, 21, of San Antonio, Texas, said he was behind sandbags on the roof of the four-story battalion headquarters when he heard "a roaring truck, and I heard something hit sandbags like a crash impact. Then I heard an explosion. Once the explosion went off, everything was going."

Facial muscles twitching involuntarily as he recalled the next devastating moments, the marine described how he and a friend literally rode the roof down as the building crumbled.

"Everything started falling and I was behind the sandbags on the roof, and stuff was falling, sir. I was praying to God, you know, I couldn't see it. I guess this is the way to go, because I didn't know what hit us."

"As soon as everything stopped, I waited about 20 more seconds because I thought it was incoming

artillery rounds.... I got up and my friend, Joe Martucci, was beside me."

"He was trapped. I unburred him and we got up, and as soon as we got off, you heard about a thousand people screaming, 'Help me, God help me.'

"We got off the roof and started pulling people off. It didn't help. Couldn't get them, so we ran up there to try to get some help. It was too late."

Corporal Calhoun's voice cracked when reporters asked how many friends he had lost in the attack that killed more than 10 percent of the 1,600 U.S. marines in Lebanon.

"A bunch," he answered. "I only know of two that actually walked out of it alive with nothing wrong." His words faded as he added, "All my friends, a lot of my friends, just about all my friends."

Although Corporal Calhoun said that he had not seen the truck, he quoted another marine who was near the building entrance and later described to him the truck and its driver.

"The man was wearing green fatigues and driving a yellow truck and, as he went by him, he tried, he tried, he tried to pull out a magazine because it wasn't in his weapon."

"Some of them are not going back at all."

on — because we're not allowed to have them in the weapon... but by the time he got everything loaded, the man had already exploded the weapon."

"And there is nothing he could do. And, he says, just as the man went by, he says, he'll always remember, the guy was smiling."

Asked if he was sorry he came to Lebanon, Corporal Calhoun replied: "I'm not sorry I came here. I'm just sorry that something like this happened. I think that we have to be here and I don't think that something like this should deter us from what we're doing."

Asked if he was angry, he added: "I'm mad, but how can you take it out on the people of Lebanon? See, we're already here. It seemed they had a cease-fire, but it seems like they got a new target — marines."

Recalling on the tragedy, he continued: "It's a shame because I know a lot of people that just got married, had wives, had kids born that they never seen, had kids born on the way. They were just saying we only have so many days left until we get to go back. You know we made over 100 days here already, over 150 already. Only a couple more and we'll be back in the States."

"The complete results are as follows, with the number of seats held in the previous council listed in parentheses: Radical Democrats, 54 (51); Social Democrats, 47 (51); Christian Democratic Party, 42 (44); Swiss People's Party, 23 (23); Independent Alliance, 8 (8); Liberal Party, 8 (8); National Action, 5 (2); Protestant People's Party, 3 (3); Progressive Organization, 3 (2); Environmentalists, 3 (1); Communists, 1 (3); Autonomous Socialist Party, 1 (2); and others, 2 (2).

Nakasone Rules Out Early Elections

TOKYO (AP) — Prime Minister Yasuhiro Nakasone said Tuesday he would not order early parliamentary elections despite the political stalemate created by the bribery conviction of the former prime minister, Kakuei Tanaka.

In a television interview, Mr. Nakasone said he will not dissolve the lower house of the Japanese Diet, or parliament, until the four-year term expires next June. Mr. Nakasone also indicated that Mr. Tanaka, who has been convicted of receiving \$2 million in bribes from the California-based Lockheed Corp., need not give up his Diet seat.

Led by the Socialists' opposition parties since the verdict has boycotted all but one Diet committee meeting and demanded that a Diet resolution to oust Mr. Tanaka be acted on. There has been speculation that Mr. Nakasone would hold general elections by the end of the year to maneuver his year-old administration out of the deadlock.

Conservative Group Wins Swiss Vote

BERN (AP) — Complete official returns from last week's parliamentary elections confirmed on Tuesday the victory of the conservative Radical Democrats, who increased their representation in the National Council by three seats to 54, their biggest share since the number of seats in the lower house was raised to 200 in 1963.

In the popular vote, they clearly outstripped the Social Democrats, their closest rivals and government partners, for the first time in 58 years, according to a still provisional nationwide survey. In the new National Council, the Social Democrats hold 47 seats, a loss of four.

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Papandreou Assailed for Plot Charge

ATHENS (NYT) — Evangelos Avroff, the conservative opposition leader, Tuesday accused Prime Minister Andreas Papandreou of slanders for alleging that local and international rightist forces, with a base in Chicago, were conspiring to undermine his government.

He called on the prime minister to provide evidence, but the government spokesman refused to give any further details or comment on the issue. Mr. Avroff said that Mr. Papandreou's claims were unfounded and resulted from his fear that the Socialist government was rapidly losing public support. "The prime minister is resorting to his known tactic of slandering firework," he said.

Mr. Papandreou said Monday that the rightists had set up a fund of \$120 million for the purpose of undermining the Greek economy and government. He said they were setting up offices in Chicago.

Judge Delays Start of De Lorean Trial

LOS ANGELES (LAT) — A U.S. District Court judge has admonished the CBS television network for interference with the judicial system in the John Z. De Lorean case and delayed the start of Mr. De Lorean's trial until he decides what course to take.

Mr. De Lorean's trial on cocaine-trafficking charges was to begin Nov. 1, but the televising Sunday of Federal Bureau of Investigation surveillance tapes by CBS and its Los Angeles station, KNX, brought requests by defense and prosecution attorneys for a delay. The videotapes showed Mr. De Lorean examining the contents of a suitcase purportedly containing cocaine and his arrest by government undercover agents last year.

In a statement at a hearing Monday, Judge Robert M. Takasugi said he had a duty to protect the judicial system and "the CBS interference in that process may have devastating effects [on the trial]. Hopefully it is not a mortal blow." Judge Takasugi expressed concern about the source of the videotapes, copies of which wound up in CBS's possession.

Health Denies Pornography Allegation

LONDON (Reuters) — Former Prime Minister Edward Heath denied on Tuesday a courtroom allegation that he had appeared in pornographic photographs with a woman and a male police sergeant.

Mr. Heath, who led a Conservative government between 1970 and 1974, denied the allegation in a statement read to London's Old Bailey criminal court by his lawyer. The allegation was made in court earlier this month.

Mr. Heath, 67, is on a lecture tour in the United States. His statement said he was completely innocent and knew none of the parties involved. "As far as it concerns me, there is no truth whatsoever in this extraordinary story," it added.

U.K. Grants Asylum to Soviet Defector

LONDON (AP) — Britain has granted political asylum to a Soviet journalist, Oleg Bitov, who arrived in Britain after defecting to the West last month in Venice, the Home Office said Tuesday.

The Daily Telegraph reported that Mr. Bitov, 52, a former foreign editor of the Soviet weekly, Literary Gazette, was thought to have links with the Soviet state security police, the KGB. The Soviet journalist vanished Sept. 7 while he was covering the Venice International Film Festival. His paper had blamed the CIA for his disappearance.

He was being questioned by British security officials at a house near London, according to the Press Association news agency. It said officials were believed to be trying to establish Mr. Bitov's value to Western intelligence agencies. A Home Office spokesman said Britain "had accepted Bitov's application to remain here on a long-term basis."

5 Poles Flee by Plane to West Berlin

BERLIN (AP) — Five Poles flew a single-engine propeller plane to West Berlin on Tuesday and asked for political asylum, police said.

The Poles, four men between the ages of 19 and 29 and a 4-year-old boy, landed at Tempelhof Central Airport, a U.S. Air Force facility in West Berlin. They had flown 650 kilometers (about 400 miles) from a sports plane club in Swidnik, near Lublin, in southeastern Poland, a spokesman at Tempelhof said.

The Poles were in West Berlin police custody Tuesday evening, although a spokesman said they would not be charged. Police said they would be taken to a camp for refugees who are waiting for their asylum applications to be processed.

(Continued from Page 1) Marine building and the French

headquarters on Sunday.

General Kelley flew here to inspect the site of Sunday's blast, but U.S. officials said the main purpose of the visit was to review security procedures.

Similarly, barricades and strong security forces were set up around the French quarters near the sports stadium and around positions of the Italian contingent in the peacekeeping force, which was not attacked.

A U.S. official said, "There is a limit to the security measures you can take and still operate. You can build 10-foot walls five feet thick [3 meters high and 1.5 meters thick] but you can't work like that."

The official said that after Sunday's attacks, "everybody looked at what more might be done," adding that security officers were now posted on the roofs of U.S. buildings to scan the streets for suspicious trucks and cars.

General Kelley, who said he planned to remain in Beirut a few days, spent 40 minutes Tuesday afternoon walking around the pile of twisted steel and crushed concrete that was the Battalion Landing Team's quarters.

Rescue workers continued to ferociously clear the rubble for bodies, and operators with heavy cranes were attempting to remove large slabs of concrete.

General Kelley said that on his way to Beirut Tuesday morning he stopped in a military hospital in Weisbaden, Germany, and saw a marine who had been critically injured in the blast. That call had been made.

The invasion has clearly touched a political nerve. It came amid charges by the Labor Party, under its new leader, Neil Kinnock, that the government's foreign policy is too closely linked to that of the United States and that Mrs. Thatcher's staunch support for Mr. Reagan is not matched by American sensitivity for British interests.

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Reagan Dismisses 3 Members Of Civil Rights Commission

Compiled by Our Staff From Dispatches

WASHINGTON — President Ronald Reagan has dismissed three of the six members of the U.S. Civil Rights Commission to make room for his own nominees, the White House said Tuesday.

Mr. Reagan has been accused of encroaching on the commission's independence since May, when he nominated Morris Abram, John Bumzel and Robert Detro to replace three holdover members from previous administrations. On Tuesday, he dismissed those three — Mary Berry, Blasina Ramirez and Rabbi Murray Salzman.

He has angered civil rights groups and their allies in Congress, who contend he lacks the legal power to dismiss commission members or replace them against their will.

But the White House said in a statement announcing the removals, "It is the constitutional power of appointment, so long a part of the American political tradition, that is at stake here."

The dismissals also reflect a continuing impasse in the Senate that has left the commission without budget authorization since Sept. 30, the end of the last fiscal year.

"This issue at stake in this matter is not the removal of certain individuals or the Civil Rights Commission itself," the White House statement said. "The issue is the

responsibility of the president to exercise the power given to him by law.

The commission, created in 1957, is an advisory body that investigates discrimination. It has no enforcement powers. It submits reports to the president and Congress and, over the years, many of its recommendations have become law.

The White House contended legislation before the Senate Judiciary Committee would thwart "the president's ability to exercise his power of appointment" by specifically retaining the three holdovers he dismissed Tuesday.

Mr. Reagan "is appreciative of the efforts made by a number of senators to reach a common solution on this matter," but disappointed that negotiations on a possible compromise have failed, leaving the commission technically out of business, the statement said.

Thus far, the president has refrained from using his authority to remove the commissioners who would be replaced by his nominees while the Senate was considering their qualifications," the White House said.

Mrs. Berry and Mrs. Ramirez were appointed to the commission by President Jimmy Carter, and Mrs. Salzman was named by President Gerald R. Ford. (UPI, AP)

Studies Say U.S. Tax Burden on Poor Has Grown Substantially Since 1978

By Robert Pear
New York Times Service

WASHINGTON — The federal tax burden on poor people has increased substantially in the last five years, according to new studies by congressional tax experts and several economists.

The increase they said, continued despite the action taken by Congress in 1981 to reduce tax rates across the board for people at all income levels.

The increase was most significant for people near the government's official poverty level. A family of four was classified as poor last year if it had cash income of less than \$9,862, which is called the poverty level. The Census Bureau reported in August that 15 percent of all Americans were living below the poverty line.

For a family of four people with an income of \$9,862, federal payroll and income taxes together took 9.6 percent of income last year. By contrast, federal payroll and income taxes took just 4 percent of income in 1978, when the poverty level stood at \$6,662.

The poverty level now is substantially higher than the point at which people start paying income taxes, and a new study by the Congressional Joint Committee on Taxation shows a widening gap between the two levels. The poverty line is adjusted for inflation, rising each year to reflect changes in the Consumer Price Index, but there is no such adjustment in the starting point for taxes.

Hence, according to Eugene Stener, an economist at the Treasury, "more and more people below the poverty level are becoming subject to federal income taxation."

This reverses a trend established in the last two decades. The study by the professional staff of the joint committee said, "Through the 1960s and 1970s, Congress attempted, in several tax reduction bills, to eliminate the tax burden on families whose incomes were below the poverty line."

Last year a family of four at the poverty level had to pay \$285 in income tax and \$661 in payroll taxes, for a total of \$3,946, or 9.6 percent of its income of \$9,862. The tax burden is expected to rise to 9.8 percent of the poverty-level income this year and 10.1 percent in 1984, the committee estimated.

The tax burdens were somewhat heavier for larger families. For a family of five people last year, the poverty level was nearly \$2,500 higher than the threshold at which people must start paying income taxes. So a family of five at the poverty line had about \$2,500 of taxable income. Such families owed 10.3 percent of their income to taxes, the committee said.

In another study, Timothy M. Smeeding, an economist at the University of Utah, said he had reached the same conclusion as the congressional committee. "Clearly," he said, "there are poor and near-poor people in America today who must pay significant amounts of tax."

Payroll taxes accounted for 19 percent of all federal revenue in 1965 and 23 percent in 1970, according to Treasury data. They will account for 35 percent this year and 37 percent in 1988, the Treasury estimates.

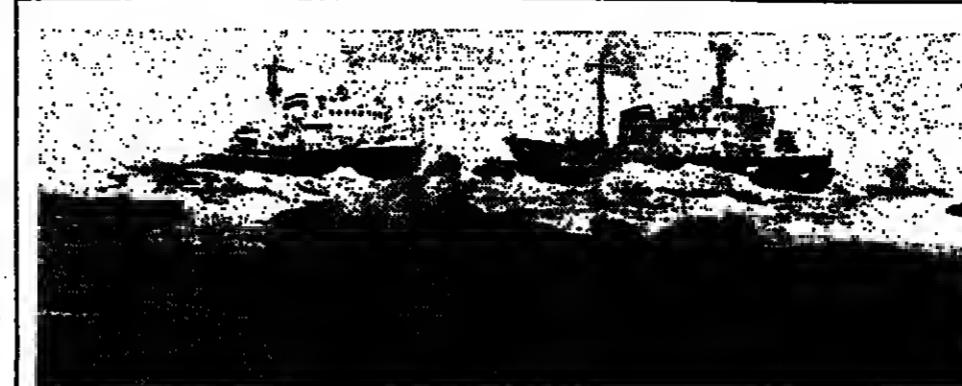
"Payroll taxes are a much heavier burden on low-income earners than are income taxes," Mr. Smeeding said.

In social welfare programs, one of the biggest changes made by Congress at President Ronald Reagan's request was to eliminate or reduce cash assistance payments for the working poor.

Pointing to such changes, Jack A. Meyer, an economist at the American Enterprise Institute, a private nonprofit research group, said last week that "a disproportionate share of the budget-cutting burden was placed on low-income households" in the last two years.

Discover the secrets of Cardhu.

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United Press International
ARCTIC CRUSH — At least three Soviet ships are still trapped by pack ice off the coast of far northeastern Siberia, Tass reported Tuesday. Icebreakers are en route.

Conservatives Accept Women Rabbis

By Charles Austin
New York Times Service

NEW YORK — The faculty of the Jewish Theological Seminary of America has voted 34-8 to admit women to the rabbinical studies program and ordain them as rabbis within Conservative Judaism.

Monday's vote culminated years of controversy over whether Conservative Judaism could accept women as rabbis, and it was certain to set off additional controversy.

The seminary is the only body in the United States authorized to ordain Conservative rabbis, and in the past its choices have been uniformly accepted for membership in the Rabbinical Assembly, the major international organization for Conservative rabbis.

Though a majority of Conservative rabbis support the move, there has been considerable opposition from those who believe that ordination for women violates Jewish law.

Until Monday's vote the seminary had been unable to come to a decision on the matter. In 1979 the faculty put off a vote that would have admitted women. A year later the Rabbinical Assembly voted 156-115 for ordination for women. But last summer, the first woman

to apply for admission was denied membership because she fell four votes short of the two-thirds majority needed.

That meeting was marked by heated debate over whether Jewish law permits ordination for women, saying it violates Jewish religious law. It has been increasingly critical of a number of recent decisions taken by both the Conservative and Reform branches of Judaism.

Reform Judaism has ordained women for the last 11 years; there are now about 60 women rabbis in the United States. Dr. Gerson D. Cohen, chancellor of the seminary and president of its faculty, characterized Monday's closed meeting as "full of debate" but without rancor.

"We have been able to overcome inhibitions of centuries and achieved a major step in the equalization of women in Jewish religious life," Mr. Cohen said in an interview.

The seminary is the highest academic authority for the worldwide Conservative movement, which has rabbis and congregations in North and South America, Israel, Japan and several countries in Europe. As yet, no women have been ordained as rabbis by the Conservative movement anywhere in the world.

A group within Conservative Judaism that opposed the faculty decision said after the vote that the decision "defies all norms of Jewish jurisprudence." The group, the Union for Traditional Conservative Judaism, issued a statement that challenged the way the matter was put to "popular vote of the seminary's entire teaching staff — few of whom would claim expertise in Halakha, a third of whom are not rabbis, some of whom are not even religiously observant." Halakha is Jewish religious law that is based on an oral interpretation of the Scriptures.

The dissenting organization said it would convene its own panel of scholars to pass judgment on Jewish legal matters and establish a journal that would serve as "an organ of Halakhic opinion within the Conservative movement."

Reagan Tries Appeasing Democrats on IMF Vote

By Juan Williams
and Hobart Rowen
Washington Post Service

"As a result, he has the worst of both worlds," Mr. Obey said, adding that the substance of Mr. Reagan's letter amounts to a repudiation of the campaign document offered by Representative Phil Gramm, Republican of Texas.

The long-awaited letter, sent late Monday and designed to assure the Democrats' support for a stalled \$8.4-billion appropriation for the international lending agency, may backfire, losing votes of liberals and conservatives, said Representative David R. Obey, a Wisconsin Democrat, one of the 21.

The 21 Democrats have been attacked in a Republican congressional campaign fund-raising letter for voting to "give loans to Communist dictatorships." The Republicans had called the Democrats' vote a "slap in the face of the taxpayers."

Mr. O'Neill, a Massachusetts Democrat, had denounced that reaction as "red-baiting." He said he would block a further vote on the urgently requested increase in the U.S. contribution to the IMF if the president did not apologize.

Mr. Reagan's letter to the House read in part: "While I understand much rhetoric and controversy has surrounded this issue, it is my hope that differences on both sides of the aisle could be laid aside, thus allowing for early passage."

The issue arose over an IMF funding bill amendment that would require the fund's U.S. director to vote against making loans to Communist countries. The amendment passed, 242 to 185.

In a telephone interview Monday night, Mr. Obey said Mr. Reagan's apology offered only a "grudging, convoluted and grace-

less" disavowal of the Republican campaign document.

"As a result, he has the worst of

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Peronists Stump Among the Opposition

Campaign Foray by Movement's Leader Points Up Close Race for Presidency

By Edward Schumacher

New York Times Service

CORDOBA, Argentina — Italo Argentino Luder, political heir to Juan Perón, gambled on Peronism's most sacred day by bringing his presidential campaign here to the heart of the opposition. And the crowds roared.

More than 150,000 people, by conservative estimates, carpeted 10 city blocks on Oct. 17, the anniversary of the party's founding. They beat drums and chanted the name that has rocked this nation for 40 years: "Perón! Perón!" But this time they mixed in the name "Luder."

Many of the younger men, evoking the appeal of Perón's wife, Eva to the "shirtless ones," went bare-chested on a balmy spring night.

With national elections aimed at ending nearly eight years of military rule scheduled for Oct. 30, the rally was the latest in a revival around the country of Peronism's legendary but long-dormant spirit.

Mr. Luder, a silver-haired former law professor and senator whose stiff style was not igniting voters, responded with seldom-seen passion. His own shirt collar open, he slashed the air with his hands for emphasis in an off-the-cuff speech lauding at Peronism's historical enemies: the military, the oligarchy and foreign influences.

The three, he said, "find themselves in a pitiful agony, and have lost control of the internal and external situation, and have brought us to the border of national dissolution."

"We declare to all Argentines that Peronism will bring the country justice and order for all — for the helpless, for the forgotten of the earth," he shouted.

Campaign organizers credit the

revival to a coalescing of the party's many factions in the face of a rising campaign by Mr. Luder's rival, Raúl Alfonsín, the candidate of the Radical Party. Mr. Luder is a slight favorite, but pollsters say the race is so close that the Peronists could lose their first election in 40 years.

The Peronist campaign was being largely carried by memories of the Peronist past. Scratches recordings of speeches by Juan and Eva Perón became campaign mainstays to bolster the 66-year-old Mr. Luder's preference for what he calls "prudence." But Eva Perón died in 1952 and Juan Perón in 1974; Isa-

bel Perón, Perón's last wife and successor, is in silent self-exile in Spain.

It was on Oct. 17, 1945, that the Argentine masses, beckoned by Eva Perón, went into the streets and won the release from barracks arrest of Juan Perón, then a colonel. It was the first flexing of the Peronist muscle that was to lead to Juan Perón's election as president months later.

But while the overwhelming response underscored the continuing power of Peronism, Peronism itself remains a tenuous issue that divides Argentines.

Its adherents insist that it is not a party, but a movement, and it does have mythic appeal.

"Peronism until death," declared Angelo Oscar Ramón, a 52-year-old news vendor who attended the rally with an Argentine flag draped around his neck. "We have only one leader — Perón — but Luder is part of the doctrine."

"I am a Peronist from my soul," said a tiny 41-year-old nurse in the midst of the throng. "It was Peronism that gave me a scholarship as a child to be what I am."

Peronism even has its own language. Peronists call each other *compañeros*, or comrades, and the desire to be one is imbued by parents in their children.

Mr. Alfonsín has been reminding voters that past Peronist governments have been marked by terrorism, censorship and uncharity.

Mr. Luder has accused Mr. Alfonsín of encouraging divisiveness and has insisted that Peronism has "matured."

Mr. Luder is a moderate rightist in the party spectrum. That mostly means he is anti-communist, a point that until several days ago he hammered until it conflicted with the disconcerting fact that he has been endorsed by the Communists and other leftist parties, whose votes he needs. The leftists say they are siding with "the people."

But even Mr. Luder, who with the Peronist right is closely allied to labor unions, favors expansive welfare and state control of major industries, such as utilities and oil.

In addition, guerrillas twice sabotaged an underwater pipeline at the crude oil receiving terminal at Puerto Sandino that handles more than three-quarters of Nicaragua's petroleum imports. In a third incident there, a rebel pilot's rockets missed their target.

The government did not announce any tightening in rations for the military or for industry. Officials said these sectors were considered too important to be deprived of fuel. Some vital industrial installations will be permitted to operate on Saturdays, the communiqué said.

Guatemala provides Nicaragua with virtually all of its crude oil and refined products. Nicaragua generates about half of its electricity by burning petroleum.

The proposal, by Representative Dan Rostenkowski, Democrat of Illinois, would postpone for three years a variety of tax breaks passed to 1981 and 1982. It is to be offered as an amendment to an \$8-billion tax bill scheduled for House consideration Thursday.

Under the Economic Recovery Tax Act of 1981, the exclusion is to rise from \$80,000 for income earned in 1983 to \$85,000 in 1984, to \$90,000 in 1985 and to \$95,000 for 1986 and thereafter. Under Mr. Rostenkowski's proposal the increases would be delayed until 1987, 1988 and 1989.

Aides to Mr. Rostenkowski said the amendment should be characterized as a "tax freeze," not a tax increase.

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dis Disavowing
U.S. Role in Lebanon

U.S. War
By Russia
On Middle

English Lavender Making Last Stand

By Erica Brown
New York Times Service

LONDON — There is something quintessentially English about the scent of lavender, conjuring up, as it does, the gardens of thatched cottages adrift with the plant and elegant, snowy-haired women who always wear pearls and still powder their noses. But, like them, English lavender is something of an endangered species even though natural scents, herb-based toiletries and potpourris are increasing in popularity on both sides of the Atlantic.

"Today the only commercial grower of lavender in England is Norfolk Lavender Ltd. in Hemstead."

"The whole lavender business almost died in the 1930's," said Henry Head, Norfolk's managing director. "Partly it was because the traditional growing areas close to London fell to suburbia, but mostly it was because of the introduction of synthetic essences for perfume. Then during World War II all export of lavender from France, the other main producer, stopped under the Occupation, and that kept the industry here afloat."

Norfolk Lavender grows its crop on about 100 acres (50 of them on the Sandringham Estate and leased from the queen) in and around Heacham, a village in northern Norfolk.

All commercially grown lavenders are hybrids and must be propagated by cuttings, Head said, adding: "We are constantly crossing varieties to try to get a higher oil-producing plant that, at the same time, keeps its fragrance. Once we find one — we get about one good cross per 1,000 tries — it takes two years to make sure the new variety is true. Only then can you take perhaps about 50 cuttings. Five years later you check those and take 50 more cuttings. Since you need 5,000 plants an acre, it can take about 20 years to get a five-acre field."

Forty people, most of them seasonal workers, harvest the lavender



to be dried first; that for oil is left longer. "You get more oil from flowers that are dying," Head said. Until 1964 the cutting was done by hand. Now a mechanical cutter does the work.

The flowers and stalks are shipped to a distillery, where those intended for oil are packed into copper stills. The result, a mere hour later, is jars of water with oil floating on top.

The distilled essence, on which the concern says the profit is minimal, smells nothing like gentle lavender. Indeed, it smells of very little at all, but it has an astuteness that hits the nostrils. For perfume, aftershave and toilet water, which are more profitable, it is diluted, 4 percent essence to 96 percent denatured alcohol.

Lavender oil has a long history of medicinal use as an antiseptic and analgesic (Pliny recommended it for snake bites; others suggested it for headaches and faintness), and the flowers have been used for centuries strewed among linen or tied into small bags and hung in clothes closets to keep moths at bay.

To get products containing true English lavender you have to be careful. "Many of the English firms use French lavender," said Head, and it seems the French does not have the subtlety of the English.

"We have a long association with Yardley and sell just under half our output to them," Head said, referring to the English cosmetics and toiletries producer. "The rest goes into our own products."

Even with Yardley products the shopper must be careful, Head said. In the United States, Yardley is operated under license by Jovan, a division of the Beecham Group of Companies.

Richard Hinchley, the lawyer for Yardley United Kingdom, commented: "Jovan sticks closely to the original formula, but you would notice a difference in fragrance if you put the two side by side. Norfolk lavender has, if you are a good nose, a distinct and unique scent."

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James A. Perle/The Washington Post

Checking Out the Fans In the Washington Zoo

By Sandra Evans Teeley
Washington Post Service

WASHINGTON — He sat watching the Redskins as he ate his natural-food snack. They would score, but he would show no emotion. At times, he would simply walk away in silence if the action wasn't to his liking, but then he would return.

Across the hall, his neighbor Azy was more expressive. As the footbal players returned to the scrum-line, Azy leaped up excitedly, stared intently at the TV set — and urinated directly under it. He then went about the more absorbing business of chewing gum and climbing a tree at the same time.

In many ways, typical "Skins" fans, but in other ways not.

These have more body hair than most and are confined behind bars, in the Great Ape house at the National Zoo. While some of them have definite potential as linemen or even quarterbacks (one recently escaped a gorilla in another part of the country threw a hapless human a number of yards without the slightest threat of being sacked, according to one zoo assistant), this is as close as they are likely to get to the National Football League jungle.

Each gorilla and orangutan in the Great Ape house now has access to a TV set, thanks to donations, and on any given Redskins Sunday they join millions of fans in front of the tube.

"We did it to counteract the boredom," Caldwell Graham, animal keeper leader at the Great Ape house, said of the decision to give the apes something to look at besides each other and the steady stream of hairless visitors. "There is only so much a gorilla or orangutan can do in a cage," Graham pointed out.

Some of the apes weren't inclined to watch the "Skins" take on the St. Louis Cardinals in one recent game. Primates on the other side of the bars did watch, however — fathers, mothers and kids who came for the spec but lingered over the Redskins.

"Must not be much of a game if even the gorilla isn't watching," one man said lightly as he moved to turn away. In fact, most of the crowd, out in force in spectacular weather, didn't watch for long as the Redskins rolled to an easy victory over the Cardinals.

Football is only one thing the apes watch. They particularly like to see other animals, and are drawn to cartoon shows as well, Graham said.

A keeper of more than 30 years' experience, Graham said he had not noticed any changes in the apes' basic behavior since they started watching TV. Their natural inclinations apparently were already violent before they tuned in.

"He's a beautiful specimen, but he's mean, boy," Graham said of Hercules, an 18-year-old gorilla that sat spellbound watching the

INTERNATIONAL HERALD TRIBUNE, WEDNESDAY, OCTOBER 26, 1983

ARTS / LEISURE

By Sheridan Morley
International Herald Tribune

LONDON — The whirling of time brings in strange theatrical revenges: When Lindsay Anderson first directed "The Cherry Orchard" at Chichester in an undistinguished 1966 season, he was accused by one critic, Mervyn Jones, of selling out his Royal Court heritage to "a Haymarket tradition of famous actors and actresses which dispenses with any overall design or interpretation of the play." Now Anderson has returned to the play and taken it straight into the Theatre Royal Haymarket, where, sure enough, it works very well indeed.

This theater is rather better suited to the play than was Chichester, where the final locking-in of Firs always seemed a little strange given that the open stage had about half a dozen exits out of any of which he could have wandered. In Bernard Miles's wonderfully dotty new rendering he is well and truly shuttled up to die as they start to chop down the cherry trees, and we are left with the very double vision of an actor whose theatrical heritage is also now in Mermaid jeopardy.

But Anderson's new production is in no need of such nudges as it builds and strengthens on its Chichester roots, gaining immeasurably from many of the lessons learned there. Back in 1966, you have to recall, they were still only a year or two from the great Laurence Olivier-Michael Redgrave triumph at Chichester with "Uncle Vanya," and another Chichester must have seemed an obvious wimp. In fact it was not, largely because of Celia Johnson's deep unhappiness in the role of Madame Ranevskaya on the open stage, and the fact that she and Hugh Williams, as Gayev, seemed to be recalling "Brief Encounter" rather than the collapse of the Russian landed gentry.

When this Ranevskaya returns to her estate for the last time it is almost as character out of Eudal Bagnold or N.C. Hunter, whose ghosts still inhabit the Haymarket: She is all of our family loony aunts going back to the family attic for a final romantic root around the human 'baba-a-brac, dealing along the way, with aged and even loonier relatives. Thus we get out only

"Cherry Orchard" was the first to relate the play to local sensibilities: Tom Courtenay as an angry young-man Trofimov and Margaret Robertson as a mustached conjuring governess that you did not have to be Russian

THE LONDON STAGE

to forecast the coming of a revolution or regret the losing of a childhood nursery.

Anderson's return to "The Cherry Orchard" has recuperated a lot of the fun in the current case is Bill Fraser as a splendidly blustery Simeon-Pischik, but in giving the role of Gayev to another West End comedian untrained in the major classics (Leslie Phillips) and in having Trofimov played once again by one of the most promising actors of the current New Wave (Frank Grimes), Anderson has clearly laid his stage tracks in much the same direction.

Apert, however, from the prosecutorial arch, ever more welcome, the real bonus this time is Joan Plowright: In a radiant return to the live theater after far too long an absence, her Ranevskaya is the first in 20 years to challenge Peggy Ashcroft's and is (unlike that other great dame) rooted in a kind of wizened local experience all too seldom achieved by the British in Chekhov.

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No More Jefferson Stamps

The Associated Press

FLORENCE — Authorities have closed for repair the Academy of Fine Arts in Florence, which houses works of art that include Michelangelo's David.

City officials said Tuesday that the museum would be shut for

about four months for major work such as installation of air conditioning and humidity control. The work is to start next month.

David, hewn from a block of marble abandoned by another sculptor, is celebrated for its anatomical perfection. The statue was finished in 1503.

Lord Miles solemnly addressing his legs as if they were recalcitrant children, but David Bartley as the walking disaster Yefobodov and Margaret Robertson as a mustached conjuring governess that you did not have to be Russian

remarkable insights, superior in almost every way to the recent National Theatre revival; yet it is no discredit to the present performance of Bernard Miles that I left it inevitably thinking about the last Firs I had seen: Sir Ralph Richardson, whose death was announced while I was in China. With that death we lose perhaps not the most Prospero but certainly the Merlin of our theater. Of the four great actors-kings of the British classical stage in this century, he alone dealt directly in magic. He was Priestley's supernatural inspector, and when he came to call you always knew that there was going on something rather more than met the eye. How wonderfully fitting that his final appearance should have been in a play at the National Theatre about his beloved fireworks, but also a play that looked as though it was going to be about a man witnessing a murder and turned out in the end to be about nothing less than Italy at war. With Richardson gone, the "inner voices" are over going to sound quite the same again.

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INTERNATIONAL Herald Tribune

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Why the Marines Die

A Time for Straight Talking

To the agonizing question of why American soldiers are dying in Lebanon, President Reagan offers only a barren list of one-line slogans. However sincere, they are not thought through. The grief and responsibility that Mr. Reagan feels as commander in chief blur his vision and dangerously distort his speech.

The United States Marines must stay, Mr. Reagan declares, "until the situation is under control." But Lebanon has been beyond anyone's control for eight years.

The marines and allied forces are seeking the "withdrawal of all foreign forces from Lebanon," he says. But neither they nor the Lebanese army have the capacity to make Syria withdraw. And Israel, which does, refuses to pay the price of trying.

Stability in Lebanon, the president goes on, is "central to our credibility on a global plane.... The struggle for peace is inadvisable.... If Lebanon ends up under the tyranny of forces hostile to the West, not only will our strategic position in the eastern Mediterranean be threatened, but also the stability of the entire Middle East, including the vast resource areas of the Arabian Peninsula." But Lebanon has been tyrannized since 1975 by Syria, by the PLO and by its own feuding sects, with no perceptible erosion of American, Israeli, Saudi or other pro-Western interests.

The president seems to be saying nothing more than "Damn the torpedoes!" Can he think of any way to justify or avenge the loss of life without asserting stakes that no one saw even 48 hours ago? Are there no worthwhile American ventures with limited objectives? Must everything that is worth trying require playing double or nothing?

The wise course will be found only by carefully, candidly calculating the stakes. Americans need to show their president that they can bear the truth, if he can bear to present it:

"My fellow Americans,

"You have the right, in the face of our common tragedy, to hear an honest accounting of our purpose and intentions in Lebanon."

— THE NEW YORK TIMES

... and Also for an Inquiry

Who does not ask in bewilderment why more effective measures were not taken against a vehicle suicide mission, a familiar terrorist tactic in Lebanon and elsewhere and one that had been used against Americans in Beirut to devastating effect only a few months earlier? It is not the only question to arise from the carnage, but it is the first question.

It seems that the marines were trapped not so much in the literal flat land of the airport coastal plain as in the figurative flat land of official thinking about their role. Even after the premises of the policy were undermined by events, the Pentagon clung to a calculation that the marines were in Lebanon to keep a peace that would steadily take root as foreign troops departed and the Lebanese factions drew together. Reasonable precautions were taken, but for the most part only within the context of those rather sanguine expectations.

After the blast, for instance, it was explained that the marines' specific mission of keeping the airport open and walking Beirut back to normality — of serving as a "presence" — had precluded constructing the kind of "fortress barriers" that might have stopped the deadly truck. This statement has a certain ring of alibi after the fact. Surely the purpose of creating a "presence" did not require that these marines be left as vulnerable as they patently were on

— THE WASHINGTON POST

Other Opinion

Abandon Lebanon or Help It?

Any U.S. withdrawal under pressure from Lebanon could unleash conflicts and upheavals beyond prediction. Therefore the Reagan administration must redeploy and protect the marines in Beirut in ways that constitute a show of strength, not weakness — and in ways that reassure a troubled people.

— The Baltimore Sun.

Tragically it is time to recognize that there are honorable tasks on this Earth that cannot be completed. That if there were 16,000 U.S. Marines committed to peacemaking in Lebanon — instead of the 1,600 who were there before 6:20 Sunday morning — they could not impose order, political stability, on the warring, hating, barbarous factions that are there. Nor, finally, could 160,000.

— The Philadelphia Inquirer.

We must, of course, continue to press for the involvement of a United Nations peacekeeping force that would allow us to withdraw.

— USA Today.

FROM OUR OCT. 26 PAGES, 75 AND 50 YEARS AGO

1903: The Balkans Depress Stocks
LONDON — The Stock Exchange is complaining bitterly of the state of idleness forced upon it by the trouble in the Near East. Markets become more listless every day, with prices crumbling away from sheer listlessness. Notwithstanding the uncertainty of the international outlook, some investment continues, but not sufficient to send prices up, so that Consuls, after a series of see-saw movements, remain about the same as a week ago. The Tear of the Bulgarians is anxious for a good understanding with Turkey. No one doubts however that Servia and Montenegro would rush to their destruction, which a war with Austria-Hungary would almost assuredly mean.

1933: Are Nazis at Work in America?

WASHINGTON — Representative Samuel Dickstein, chairman of the House immigration committee, announced that he would begin an investigation of alleged Nazi propaganda activities in the United States. Meanwhile, the November issue of "Harpers" magazine publishes an account of alleged efforts of Nazi propagandists to spread the Hitler doctrine in the United States. It states that the Nazis have propagandists in all leading American cities. It charges that the Hitlerites control two New York newspapers, one published in German and the other in English. It adds that many of the propaganda bureaus are run by Americans, but under orders from Germany.

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If the Israelis Left, Maybe the Americans Could

By Flora Lewis

JERUSALEM — The carnage of American and French troops in Beirut was not an act of terrorism. It was an act of war.

Nor was this a Gulf of Tonkin incident, engineered to justify American combat in a war against an identified foe. It was an assault sent 30,000 United States troops to Lebanon in more favorable circumstances. That cooled things for a while, but the issues have not really changed.

That so much slaughter could be achieved so easily against American arms is a demonstration that the marines' stated mission as a "peace-keeping force" is a self-induced delusion. They could not have been surprised so savagely had they taken wartime security precautions.

Regardless of Washington's intentions, the marines are not in Lebanon as friendly neighborhood cops. They are in territory part friendly, part hostile, where it is almost impossible to tell which is which. As long as they remain, they must be allowed to deploy and protect themselves appropriately. They are in a war zone. No peace exists to be "kept," and they are too few, too lightly equipped, to impose a truce.

Serious questions can be asked as to whether they should have been sent in the first place. But they are now there and they have been wantonly bloodied. That has created new stakes for the United States that can only be ignored at great peril to American policy around the world.

The marines must not now be withdrawn. It would be a major defeat. But neither can they stay, in their current murky context. Washington urgently needs a lucid understanding of what it can do in Lebanon, and of what is required to achieve the possible.

It is not possible for the United States to resolve the longstanding murderous quarrels of the Lebanese. In 1958 President Eisenhower sent 30,000 United States troops to Lebanon in more favorable circumstances. That cooled things for a while, but the issues have not really changed.

That so much slaughter could be achieved so easily against American arms is a demonstration that the marines' stated mission as a "peace-keeping force" is a self-induced delusion. They could not have been surprised so savagely had they taken wartime security precautions.

Whether it is possible to maintain Lebanon's "sovereignty, independence and territorial integrity," which the United States has set as its goal, is not a question Americans can or should try to answer. That is the first point to recognize.

Lebanon itself is not of strategic importance vital to America. If it could be insulated from the much wider conflict in the Middle East, the United States could depart. That is not possible in the existing situation.

And it is more self-delusion to think that pressing for "national reconciliation talks" among the Lebanese will work the miracle. Talks are useful, but they cannot be decisive.

Since the prime American goal now must be to create a situation in which withdrawal is honorably possible, the political and military effort has to be directed at insulating Lebanon. The difficulties are extreme, but anything less will only compound the trouble.

Nothing is to be gained by pretending to ignore the fact that the marines, and the rest of the multinational force, are in Lebanon because

of last year's Israeli invasion. Even Israelis are coming to realize how terribly misguided their government was in thinking it could impose the creation of a sturdy ally that way.

No nothing is to be gained by imagining that some kind of "strategic consensus" with Israel could tranquilize Lebanon and ease America's burden. It would be a formula for increased involvement and even less control of events.

Nor should the Israeli-Lebanese agreement, which provides for complete Israeli withdrawal, be undone. It should never have been negotiated in the way it was, but it now exists and should not be jettisoned. It should be put into effect.

Israel should be brought to recognize that its precondition of complete Syrian withdrawal is neither reasonable nor feasible. The Israelis did not go to war to force Syria out of Lebanon. They cannot expect an American-sponsored semi-peace with Lebanon to achieve that.

Some assurance that southern Lebanon will not again be occupied by hostile outside forces are a legitimate requirement. But the longer the Israeli occupation lasts, the more hostility it provokes in the local population. America can and should do all possible to enable the Lebanese army and the United Nations forces to neutralize the area in return for an Israeli withdrawal. Quiet probes in Damascus might bring Syrian support for such an agreement.

The kind of "strategic cooperation" to which the United States is now entitled from Israel is to leave Lebanon so that America can find its own way to leave Lebanon to itself.

The New York Times

In the East Bloc, Demonstrating for Political Rights Is a Crime

By Leopold Unger

B RUSSELS — It was not only a verdict, but a challenge and an admission of a major problem.

Yossif Begun, 52, a doctor of mathematics, has just been sentenced to seven years of gulag plus five years of internal exile. The court of the city of Vladimir, 200 miles from Moscow, ruled that Mr. Begun had "for 10 years systematically reproduced and disseminated, with the aim of overthrowing the existing political system, documents against the state, inciting hate toward the Soviet nation and deforming the domestic and foreign policy of the Soviet state."

Yet Mr. Begun is guilty of no crime, even under Soviet law. His problem goes back to 1971, when he requested permission to emigrate to Israel. Since then he has worked to promote the right of Soviet Jews to emigrate and to live within a Jewish culture while waiting to leave.

In 1971 Mr. Begun's demand to emigrate was refused on the pretext that he had knowledge of unidentified "secret files." He was dismissed from his research job at an electronic institute and consequently sentenced in 1977 to a year's deportation to Siberia for "parasitism." Just as he finished that term he was arrested again, under a new trumped-up charge, and sentenced to three years of exile in Siberia.

When he returned in 1982 he was sent to prison again, and this time it seemed to be for good — a 12-term. His wife and son were allowed to see him in court only at the last moment, as his sentence was being read. It was a clever way for Soviet justice to say that he had been tried in open court, and at the same time to be unbothered by any witness. Even without witnesses, the truth came out.

The significance of the Begun trial is larger than the fate of an individual. The severity of the verdict is a clear admission that what is known as the Jewish question in the Soviet Union is a serious problem.

The Vladimir verdict was clearly meant as a warning to all of the Soviet Union's militant Jews, and particularly to the "refuseniks" who have been denied the right to emigrate to Israel. There are about 10,000 of them now in the Soviet Union. They are under permanent harassment, since they may never leave the country nor work there.

In harassing the 10,000 who have undergone a fate similar to that of Mr. Begun or risk being put on trial at any moment, the Kremlin is really aiming to dissuade about 300,000 persons who have invitations from relatives abroad to join them. An invitation is the first step in a series of moves required to obtain an exit visa.

One wonder that 64 percent of the members of the Jewish community in the Soviet Union's ties with the United States.

Because of the chill in U.S.-Soviet relations, the issue of Jewish emigration is not currently front-page news. Yet, while more than 50,000 Jews left the Soviet Union in 1979, only about 100 a month have left so far this year.

An "anti-Zionist committee," in the sinister Stalinist tradition, has been set up in Moscow to declare that "all the Jews who wanted to leave have already left the Soviet Union."

Those who remain — more than 2 million — live in an atmosphere that is best understood through a recent book, "The Class Essence of Zionism." The author, Lev Korniyev, asserts that Zionist leaders and Jewish bankers "helped Hitler gain power in Germany and participated in the extermination of other Jews."

Even more damaging than this simplistic aberration is the conclusion of this book, which has had a print run of several hundred thousand copies. It maintains that any sympathy toward Israel is proof of "double allegiance," an accusation

that can have very serious consequences in the Soviet Union.

The verdict in Vladimir is a challenge to international public opinion. Twelve years of gulag — the maximum sentence permissible under Soviet law — for the crime of teaching Hebrew, handed down a month after the adoption of the final act of the Madrid conference, is a provocation.

Naturally, no one ever has had any illusions about Moscow's intention to respect the humanitarian clauses in the documents it adopted in Madrid. Yet, behind the scenes, well orchestrated voices let it be understood that

in exchange for Western concessions in trade, economic cooperation and disarmament, the Kremlin would be prepared to make some quiet but significant humanistic gestures.

Nothing came of that. The verdict in Vladimir — but also the continuing case of Andrei Sakharov, and the fate of a number of pacifists and religious militants, from Anatoli Shcharanski to Yuri Orlov, prisoners of the gulag for having spoken in the name of human rights as accepted by the Kremlin and endorsed by it in international documents — clearly demonstrates Yuri Andropov's spe-

cial understanding of civilized behavior in international relations.

From the Sakharov Committee in 1975 to the activity of Lech Walesa and the work of Charter 77 in Czechoslovakia, dissidents in Hungary and pacifists in East Germany, the true spokesman of Eastern Europe have warned the West that peace is inextricably tied to human rights. The greatest danger to world peace comes from the totalitarian system that arbitrarily governs Eastern Europe.

Those who demonstrate for human rights in the West are in the streets, while in the East they are in jail. Here it is a right, there it is a crime.

International Herald Tribune

In the West, Demonstrations Can Sway a Nation

By John Dornberg

M UNICH — One phase of West Germany's surprisingly tempestuous "hot fall" has drawn to a close, and if any conclusion can be reached from the peace demonstrators and anti-outdoor protests it is perhaps that the country is changing.

There was virtually no violence, thanks to astute management and the organizers' ability to isolate the rock-throwing, cop-baiting bands of troublemakers who had become regular fixtures at such events.

More important, "civil disobedience" and "passive resistance" have become respectable instruments of grass-roots political action here.

And West Germans are apparently re-examining their role in the world and in the Western alliance. This reflects a growing fear that Europe, and West Germany in particular, would likely be the main battlefield in any East-West conflict, nuclear or conventional, and that deployment of new intermediate-range weapons, instead of diminishing the possibility of such conflict, might heighten it.

Of all the arguments and slogans heard during this fall's series of peace marches, human chains, rallies, sit-ins, blockades of military installations and other demonstrations, the one that seems to have made the most vivid impression is that West Germany already has more nuclear warheads steepled on its territory than any other country, although West Germans themselves have little or no say over their ultimate use.

Nin wonder that 64 percent of the members of the Jewish community in the Soviet Union's ties with the United States.

That town's 60,000 inhabitants, by the way, are predominantly Catholic and conservative. Chancellor Helmut Kohl's Christian Democrats usually win 60 percent of the vote there.

There is today in West Germany a growing acceptance of the "peace movement" and of passive resistance and civil disobedience as political tools. These are novel concepts to Germans. For centuries, subordination to state authority, whether or not vested in a democratically elected parliament, has ranked on a par with godlessness. *Disziplin Ordnung Gehorsamkeit* (discipline, order, obedience)

is older ones. In Lebanon the marines are called a peacekeeping force. Over

Welsh Newspeak reigns.

JOSHUA GOLDEN.
Athens, Greece.

GEORGE S. MAUKSCH.
Brussels.

Roxane SEDGWICK.
Athens.

BEN LANE.
Solentuna, Sweden.

In Ian Fleming's James Bond books, "007" suggests a defense to kill. For Korean Air Lines flight 007, the license was claimed by Russia.

INSIGHTS

Silicon Valley Is Shaken by a New Tale of Espionage

By Robert Lindsey

New York Times Service

SAN JOSE, California — In what used to be a lush agricultural valley, where specks of sand started a new California gold rush in which it seemed almost anyone could become a millionaire, James Durward Harper Jr. and William Bell Hugle were among the losers.

Now Mr. Harper is accused of espionage, and he has accused Mr. Hugle, one of the first of the entrepreneurs who came here two decades ago and helped create the high-technology industry, of complicity in a plot to send U.S. military secrets to the Soviet bloc.

Much remains to be unraveled about the espionage case. Mr. Hugle has not responded publicly to the accusation, although members of his family say he denies it. But the case has shaken as never before the community of 900 or so industrial companies near here.

A man identified as James Durward Harper Jr., an accused spy, is shown in a picture taken in the mid-1970s.

The Day 'Shultz Roared': A Turning Point

By Don Oberdorfer

Washington Post Service

WASHINGTON — A show-down meeting in the Oval Office on Aug. 4 between an angry Secretary of State George P. Shultz and a startled President Ronald Reagan restored the waning influence of the administration's senior diplomat and may have contributed to the re-signature 10 weeks later of William P. Clark to a post outside foreign policy, according to administration sources.

On "the day Shultz roared," as it is known in the corridors of the State Department, no resignation was suggested or submitted by the secretary of state, who said later, "I'm not a believer in threatening to resign." But the weighty implications of Mr. Shultz's complaints about policy-making dismayed which he privately described as "a disgrace," generated alarm in the White House that Mr. Shultz would quit unless changes were made.

The appointment of Robert C. McFarlane to succeed Mr. Clark as Mr. Reagan's national security adviser places a bureaucratic veteran in charge of White House coordination of diplomatic and military policy, a shift considered likely to reduce the influence of ideology in foreign affairs decisions, tighten up their management and improve the State Department's position.

It places Mr. Shultz in a position to exert greater leadership in policy-making, but it is uncertain whether this cautious, careful man will choose to do so in the face of international and domestic crosscurrents, including the approach of the 1984 presidential election. Among his close friends, it is an article of faith that Mr. Shultz will return to private life in January 1985, whether or not Mr. Reagan wins a second term.

Mr. Shultz's sudden arrival in Washington as secretary of state in July 1982 released tension and high emotion about U.S. foreign policy that had mounted while Alexander M. Haig Jr. was in the job. And it created great expectations that Mr. Shultz would bring stability and increasing success to U.S. diplomacy.

In his 15 months on duty, Mr. Shultz has made good to a large degree on the promise of greater calm and cohesion, at least at the State Department. But hoped-for successes have yet to develop in the central problem areas — U.S.-Soviet relations, the Middle East and Central America.

Mr. Shultz's consensus-seeking, back-room style of operating, his unexciting demeanor and aversion to controversy have removed him from the public eye to an extraordinary degree and left many officials, as well as the public, in the dark about what he is thinking and doing.

The flash point of irritation that prompted Mr. Shultz's Oval Office visit in August was the sudden decision, which State Department sources said was made without Mr. Shultz's knowledge or participation, to order U.S. naval maneuvers of unprecedented size and duration near Nicaragua.

Mr. Shultz had participated in earlier top-level discussions of the military exercises, and State Department aides took a prominent role in lower-level interagency meetings. Sources said it was Mr. Shultz's clear understanding that the National Security Council had sent the question back to a lower-level interagency group for further discussion.

With the issue unresolved in these committee meetings, Mr. Reagan approved orders for the maneuvers that were dispatched through military channels without Mr. Shultz's knowledge, the sources said. At the State Department it was believed that Mr. Clark and Defense Secretary Caspar W. Weinberger had executed an end run to advance the military activity.

Disclosure of the military plans in The New York Times on July 23, in the midst of a heated House debate about U.S. policy in Nicaragua, infuriated congressional leaders, who had not been consulted or even informed about the maneuvers, and jolted nearly everybody else in official Washington — including the secretary of state.

Mr. Shultz trooped up to Capitol Hill with Mr. Clark to mollify angry legislators in closed-door briefings, without revealing that he was just about as upset as they were. Nonetheless, Mr. Shultz seemed to be "very frosty" with Mr. Clark at the Capitol, according to a person who saw them together there.

Privately, Mr. Clark disclaimed any intention to deceive or exclude Mr. Shultz, and he arranged for an aide to supply a copy of the maneuver's order to the State Department.

But for Mr. Shultz, the job of soothing Congress while seething inside was the last straw after a series of rebuffs from the White House, according to those who watched him then.

With two Israeli leaders in Washington for intensive meetings and much other business pending, Mr. Shultz waited for more than a week before expressing his dismay to Mr. Reagan.

In the meantime, the administration suffered a serious defeat in the House, which voted 228-195 on July 28 against a CIA aid to rebels fighting the government in Nicaragua.

The U.S. maneuvers were cited by House Speaker Thomas P. O'Neill Jr., Democrat of Massachusetts, as one of the chief reasons for this vote. Criticism from the public, the media and congressional leaders of both parties had

mounted to the point where the suddenly announced maneuvers seemed more and more a political disaster.

Time magazine's issue of Aug. 1 featured Mr. Clark on its cover against a backdrop of Central America with a foreground of bold letters: "The Big Stick Approach." Fifteen pages into the cover-story package was an article on Mr. Shultz, "Disappearing Act at Foggy Bottom," with a photo caption saying he was "too reticent to take control."

On Aug. 3, The Washington Post's White House correspondent, Lou Cannon, under the heading "President's Strong Man Stretches South," reported that Mr. Clark had emerged as the dominant figure in Mr. Reagan's Central American policy. That evening, NBC's diplomatic correspondent, Marvin Kalb, reported that "senior administration officials" believed that Mr. Shultz might leave the administration because of his increasing frustration and unhappiness.

Precisely what Mr. Shultz said to Mr. Reagan the next day in the Oval Office is unclear. One source said the two were alone, at least for a crucial part of the meeting. Another account was that they were joined by Vice President George Bush, Mr. Clark and some other senior White House officials, and that Mr. Shultz unveiled a "laundry list" of complaints, including disputes about diplomatic appointees and a "back channel" presidential message to Chancellor Helmut Kohl of West Germany, as well as the Central American maneuvers.

The impact of Mr. Shultz's objections was powerful, by all accounts, especially coming from a figure who had been remarkably relaxed about bureaucratic "urf" and prerogatives. "When he finally roared a bit, people were shocked," one official said.

Mr. Shultz's complaints about disarray in the making of foreign policy are reported to have been cited by high-level White House staff members who had been feuding with Mr. Clark for reasons of their own. In this way, Mr. Shultz's objections are believed to have played a role in the decision to shift Mr. Clark from a powerful foreign policy post to the Interior Department.

Another result was a White House decision to give the secretary of state greater access to the president, including a regularly scheduled series of meetings for just the two of them. Mr. Reagan has gone out of his way to see Mr. Shultz and his wife, Oveta, socially. Last weekend's golf outing in Augusta, Georgia, is one of several occasions on which Mr. Reagan and Mr. Shultz have been together after hours.

Mr. Shultz was as surprised as everyone else by Mr. Clark's sudden move. Publicly, he had

provided data that Mr. Harper later sold in Polish agents. The Federal Bureau of Investigation says the Poles turned the materials over to the KGB, the Soviet intelligence agency.

According to security specialists and others in Silicon Valley, the investigation of Mr. Harper and other recent espionage cases in California's military-related industry have demonstrated the vulnerability of U.S. technology in foreign agents, the weakness of security measures at some companies and the apparent ineffectiveness of federal counterintelligence in protecting the technology.

Local police say that in 1978 federal agents ignored a tip that an American was selling important technical data to the same Polish agent who was accused this week by the FBI of directing Mr. Harper's espionage activities.

Moreover, the security specialists here say the Harper case has provided new evidence of how, while high technology has created huge fortunes

for some people, a few others turn to technological espionage to accumulate their fortunes. One law enforcement source said that after a period in the Carter administration when relatively low priority was given to the problem, federal agents are now investigating at least a dozen cases of possible foreign espionage in Silicon Valley.

"What you've got in the valley is a very aggressive group of overachievers," said John D. Sica, a security consultant to industry and the Central Intelligence Agency. "It's a highly motivated, fast-track, materialistic environment; most people live far beyond their means; there are more Ferraris and Mercedes in this area than anywhere in the world." In such an environment, he said, some people sell secrets to keep up with the crowd.

In an affidavit made public by the Justice Department, Mr. Harper is accused of delivering technical data about the Minuteman missile system of such importance that Yuri V. Andropov, now the Soviet leader and then the head of the KGB, gave awards in the Polish agents who received the material.

It is alleged that Mr. Harper obtained the material from his wife, Louise, who had a "secret" security clearance at a company where she worked, Systems Control Inc. She died of cirrhosis of the liver in June at the age of 39.

According to the affidavit, Mr. Harper said he first provided data about American technology to the Poles in 1975, after being introduced to them by Mr. Hugle in Warsaw.

It also quotes him as saying that at a 1979 meeting in Geneva with Mr. Hugle and Zdzislaw Przybyszewski, a lieutenant colonel in the Polish intelligence service, it was agreed that proceeds from the sale of documents to Poland would be divided equally between Mr. Hugle, Mr. Harper and Mrs. Harper.

Mr. Harper is said to have admitted traveling to Europe often in 1979 and 1980 with documents bought by Polish agents and receiving more than \$250,000 from them.

The affidavit says an unidentified former Polish intelligence agent, apparently a defector, corroborated much of Mr. Harper's story. But the account of his espionage comes largely from statements that Mr. Harper made anonymously to the Central Intelligence Agency in a strange, unsuccessful attempt over two years to become a double agent.

According to Mr. Dougherty, Mr. Harper's attorney, a man who identified himself as "Jay" and who turned out to be Mr. Harper called him at his office near Los Angeles in September 1981 and asked for a meeting. He said he had chosen Mr. Dougherty because he had read a book about his role as a defense attorney for Christopher John Boyce, who was sentenced to 40 years in prison for espionage in 1977, subsequently escaped from prison and in 1981 was recaptured.

At the meeting, Mr. Harper agreed to turn himself in only if he was guaranteed immunity from prosecution. At subsequent meetings, he provided statements in response to questions from the CIA about his espionage activities. Mr. Dougherty said that in March 1982 Mr. Harper named Mr. Hugle and at least one other person in Silicon Valley who he said were involved in the operation.

"This is careful, time-consuming and undramatic. It also leaves nearly everyone involved in the process with admiration for Mr. Shultz personally, whether or not the policy works. To an extraordinary degree, several officials said, Mr. Shultz is willing to give others credit for what he does, a trait that increases his effectiveness in the inner councils but obscures his role to outsiders.

"His idea of getting something done is not to have a press conference or to make a speech but to have a meeting with McFarlane or the president or with Weinberger, to get a study launched in to make sure that a presidential trip is going to accomplish the desired purposes," a Shultz associate said.

In the end, the negotiations proved fruitless because the Justice Department refused to grant Mr. Harper the blanket immunity from prosecution that he demanded. Mr. Dougherty said he had urged Mr. Harper to turn himself in and take his chances with the government.

"I had him on a string of gossamer," Mr. Hugle was like a number of other pioneers who never quite put it together," said Michael Malone, who is writing a history of Silicon Valley. "They've been around the winners, but they haven't done it. They have tremendous backgrounds, they know everybody. They've got their Mercedes and a few bucks, but the Valley has punished them as much as it has rewarded them.

"The salient truth of Silicon Valley is that you've got to make the big score or it'll kill you.

The hills around here are filled with people who are not famous but tried and never made the big score."

"He's always flamboyant, always on the social circuit," Philip Gregory, an associate in an industry organization, said. "He's always got some kind of a deal, wheeling and dealing with something."

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NYSE Most Actives									
NewPks	Val.	Nich	Low.	Close	Chgs.	Per.	Vol.	High	Low
15008	361	356	352	352	+1	-1%	1000	361	356
GMet	754	754	754	754	+1	+1%	1000	754	754
IBM	1179	124	124	124	+1	+1%	1000	124	124
AMCI	1107	124	124	124	+1	+1%	1000	124	124
Chris P	10922	38	38	38	+1	+1%	1000	38	38
Scotiabank	1002	32	32	32	+1	+1%	1000	32	32
Digital	862	672	672	672	+12	+18%	1000	672	672
Hughes	725	144	144	144	+1	+1%	1000	144	144
ITT	769	43	43	43	+1	+1%	1000	43	43
Dixons	730	268	258	258	-10	-3%	1000	268	258
Motor	730	574	574	574	+12	+2%	1000	574	574

Dow Jones Averages									
Index	Open	High	Low	Close	Chgs.	Per.	Vol.	Open	High
Trans	10120	10120	10120	10120	+300	+3%	1000	10120	10120
UHL	12016	12013	12013	12013	+250	+2%	1000	12013	12013
Comp	50211	50211	50211	50211	+200	+2%	1000	50211	50211

NYSE Index									
Composite	Hghs	Low	Clos	Chgs.	Per.	Vol.	Open	Hghs	Low
Industrials	9120	9070	9050	9050	+100	+1%	1000	9120	9070
Trans.	9430	9390	9390	9390	+100	+1%	1000	9430	9390
Utilities	2420	2420	2420	2420	+100	+1%	1000	2420	2420
Finance	2280	2270	2270	2270	+100	+1%	1000	2280	2270

Tuesday's NYSE Closing

Vol. of 4 sum.
Buy Sales
Prev. 4 sum. Vol.
Prev Consolidated Close
Oct. 24
Oct. 25
Oct. 26
Oct. 27
Oct. 10

Tables include the nationwide prices up to the closing on Wall Street

AMEX Dailies									
Advanced	Close	Chgs.	Per.	Vol.	Open	High	Low	Close	Chgs.
Declined									
Unchanged									
Total Issues									
New Highs									
New Lows									

NASDAQ Index									
Composite	Close	Chgs.	Per.	Vol.	Open	High	Low	Close	Chgs.
Industrials	27840	+177	+0.62	201,92	27840	27840	27840	27840	+177
Transport.	26250	+123	+0.46	201,92	26250	26250	26250	26250	+123
Utilities	22710	+123	+0.54	201,92	22710	22710	22710	22710	+123
Finance	22503	+125	+0.55	201,92	22503	22503	22503	22503	+125
Services	18420	+125	+0.68	201,92	18420	18420	18420	18420	+125
Telecomm.	22340	+254	+2.25	201,92	22340	22340	22340	22340	+254

AMEX Most Actives									
Impe Chem	264,020	+20	+1%	1000	264,020	264,020	264,020	264,020	+20
Kodak	271,700	+20	+1%	1000	271,700	271,700	271,700	271,700	+20
TIT Comm	271,700	+20	+1%	1000	271,700	271,700	271,700	271,700	+20
WongLabs	271,700	+20	+1%	1000	271,700	271,700	271,700	271,700	+20
Davidson	154,200	+20	+1%	1000	154,200	154,200	154,200	154,200	+20
Philips	154,200	+20	+1%	1000	154,200	154,200	154,200	154,200	+20
Telecom	111,400	+20	+1%	1000	111,400	111,400	111,400	111,400	+20
Grumman	97,700	+20	+1%	1000	97,700	97,700	97,700	97,700	+20

NYSE Most Actives									
NewPks	Val.	Nich	Low.	Close	Chgs.	Per.	Vol.	High	Low
15008	361	356	352	352	+1	-1%	1000	361	356
GMet	754	754	754	754	+1	+1%	1000	754	754
IBM	1179	124	124	124	+1	+1%	1000	124	124
AMCI	1107	124	124	124	+1	+1%	1000	124	124
Chris P	10922	38	38	38	+1	+1%	1000	38	38
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Digital	862	672	672	672	+12	+18%	1000	672	672
Hughes	725	144	144	144	+1	+1%	1000	144	144
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Comp	50211	50211	50211	50211	+200	+2%	1000	50211	50211

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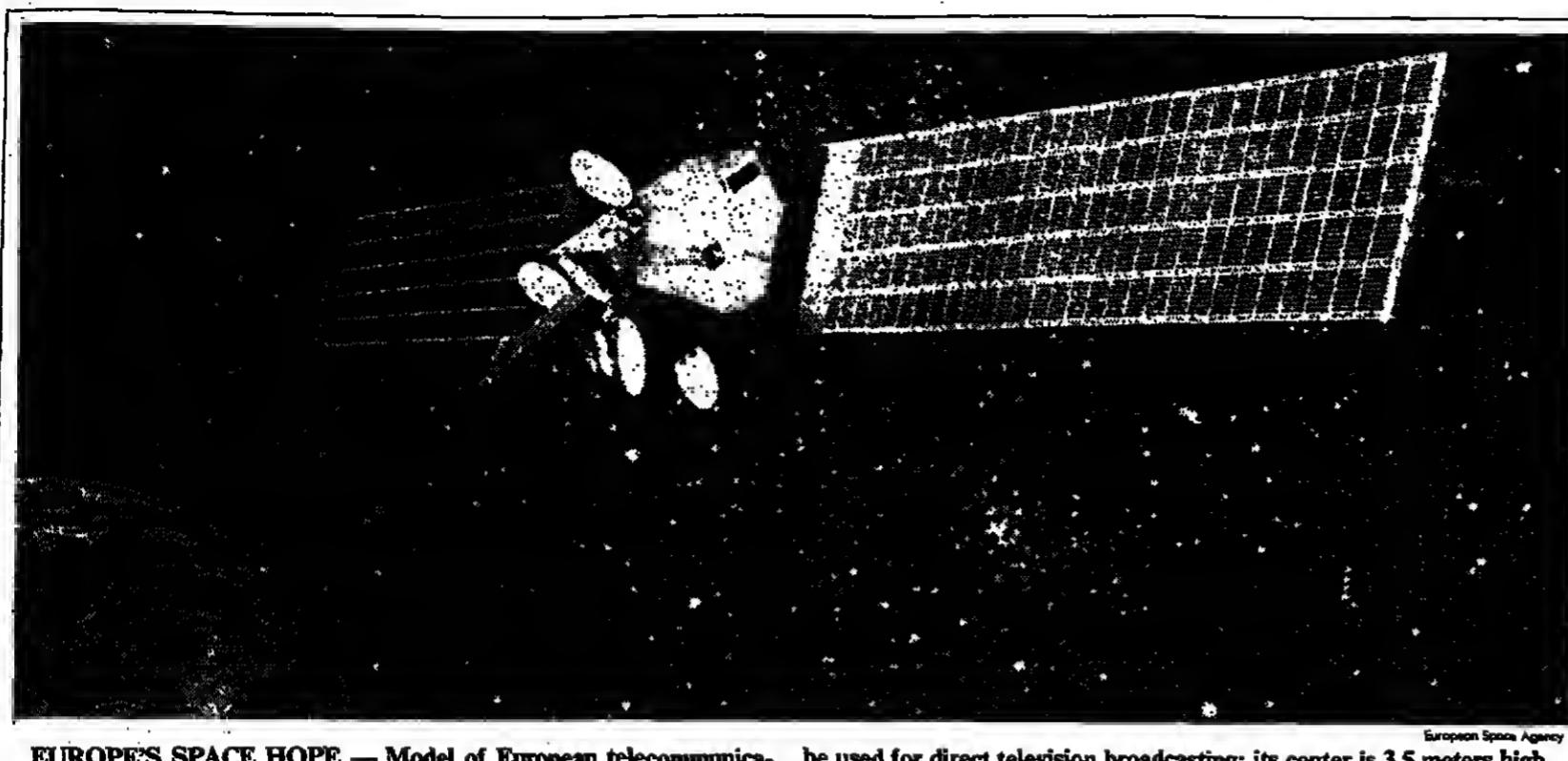
COMMUNICATIONS TECHNOLOGY

A SPECIAL REPORT — PART II

WEDNESDAY, OCTOBER 26, 1983

Part I Appeared
In Yesterday's Editions

Page 9



EUROPE'S SPACE HOPE — Model of European telecommunications satellite that will be launched aboard Ariane in 1986. The craft will be used for direct television broadcasting; its center is 3.5 meters high while the satellite measures 27 meters from tip to tip of its solar arrays.

Nations Fear Computer Crime Havens

By George Gudauskas

PARIS — With computer use and abuse rising worldwide, officials of most Western nations have a new fear — the development of "computer crime havens," where freewheeling manipulators can operate at will.

Computer and telecommunications systems are being developed so rapidly that both individuals and governments are frequently unable to comprehend or respond adequately to the changes that they will require.

Even now, most Western countries admit they have few effective measures in place to repress illegal, unauthorized or

always be detected. Most often it involves electronically stored and transmitted data and information, usually seen but not removed or destroyed. Even when crime is detected, it often goes unreported, according to experts, because the victim frequently banks, fears bad publicity. Prosecution is made difficult, if not impossible, by the elusive nature of the supposed crime.

"So, there is some secrecy around all this stuff of computer crime," Mr. Kenneth added. The 24 member nations of the Paris-based OECD are trying to agree on what exactly computer crime is, as part of the study that is probably the first international examination of its kind.

Officials of some nations, notably Canada and Denmark, completely object to the expression, saying what is called computer crime by the news media is nothing more than computer-related crime or computer-aided crime. Canada and Denmark prefer these terms. France is not sure. Legally, no such thing exists as computer crime, one Canadian official recently remarked, just as there are no such things as adding-machine crime, electronic-calculator crime, pencil crime, pen crime or paper crime.

But the Western countries are beginning to arrive at a broad definition of computer crime — any illegal, unethical or unauthorized behavior involving automatic data processing or transmission of data or both.

Computer crime — national or international — can in-

volve one or several acts, according to the experts.

It may include the manipulation of data, software and hardware, such as computer terminals. It can be computer espionage, software theft or even theft of computer time. Computers can be sabotaged and computer facilities can be used to commit an offense.

Most commonly in all countries it involves the theft of money by means of a computer. In the United States alone, the dollar value of computer crime has been put at \$300 million.

In London recently, £780,000 was lost by a bank when thieves intercepted a telephone call from a bank official or lawyer to "authenticate" forged drafts. The money, in Krugerrands, or gold coins, was then delivered to a bogus company.

So far, there has been no Great International Computer Robbery. But, as computer use increasingly reaches across national boundaries, officials are worried that they lack the measures to cope with computer crime. They are also worried that some public officials lack awareness of the broad ramifications of such criminality.

"One danger of computer crime is that very clever people can use a lack of legislation or a contradiction between two national laws to do something with international implications."

(Continued on Following Page)

International Satellites: Monopoly Under Attack

By Jonathan Miller

WASHINGTON — The global satellite-communications monopoly is under attack. For 20 years, the International Telecommunications Satellite, called Intelsat, has exercised virtually total control over international space communications.

Those communications have become very big business: Intelsat generates revenues of \$400 million a year and carries two-thirds of all international telephone calls and almost all international television transmissions.

Nobody has questioned Intelsat's technical virtuosity, and many have admired the cooperative spirit in which Intelsat has conducted its affairs. But the organization is now in flux.

In recent months, several organizations seeking a segment of the growing international satellite market have challenged the monopoly of the U.S.-created Intelsat.

Earlier in October, the 109 member governments of Intelsat met in Washington where they confirmed an American, Richard Colino, as the new director-general of the organization. Mr. Colino has pledged to resist assaults on Intelsat's monopoly. The Intelsat governments also unanimously passed a resolution affirming a "single global satellite system." But there seems little doubt that major change is coming. The resolution by the top decision-making body may preserve Intelsat as the only system with global coverage — but it does not seem to inhibit the development of separate regional systems.

Strains in Intelsat have been developing for some time. One year ago, members of Intelsat disagreed sharply over the establishment of the European Telecommunications Satellite Organization, or Eutelsat.

The United States opposed this creation of Europe's national communications monopolies because it would compete with Intelsat for international traffic. The United States argued that such competition was incompatible with the basic Intelsat agreement, which the United States claimed established Intelsat as the sole global satellite carrier.

The dispute was settled with a compromise that allows Intelsat to operate within Europe for five years, with possible extensions.

Additional challengers have threatened to try to compete directly with Intelsat in its most lucrative North Atlantic basin.

Two announced prospective competitors to Intelsat in the United States are the Orion Satellite Corp., a creation of several entrepreneurs from the cable television industry, and International Satellites Inc., primarily owned by TRT Communications, a subsidiary of United Brands.

There also are strong indications that British and Japanese industrial interests are interested in competing with Intelsat on both Atlantic and Pacific routes.

U.S. officials have not yet developed a clear position. "We do not think it would be appropriate to get into a protracted discussion [of Intelsat competition]

at this time," said Ambassador Diana Dougan, director of international communications policy at the State Department.

Privately, other U.S. government officials complain that they have little evidence on which to base a policy. A Commerce Department official complained that economic analysis of the possible economic harm to Intelsat was lacking and said: "What we need are facts. So far, we haven't got very many."

The stakes are high. The international market for satellite communications services are expected to more than double to \$10 billion annually by 1990.

Gauging likely economic harm to Intelsat is made complicated by unique characteristics of Intelsat's capital and tariff structures. But there is no question that membership in the Intelsat club is a good deal for the 109 national communications operators who participate. Most of the investment, \$332 million in 1982, comes from the biggest countries, in relation to an ownership share based on each country's use of the system.

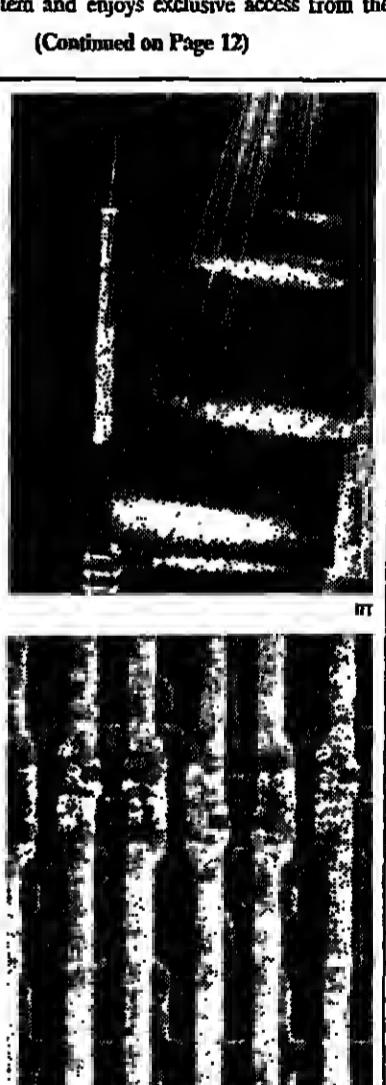
On the revenue side, Intelsat operates as a cooperative, charging satellite use rates to cover costs and to produce a return on investment to those who finance the system. In 1982, return on investment was 15.9 percent. Given growth in international communications (telephone circuits more than doubled between 1978-1982), some analysts believe that by 1987, Intelsat could be handling two billion telephone calls a year in addition to television and other leased services, and be producing a return on investment of almost 30 percent.

Intelsat's direct revenues account for only a fraction of the total expenditures on account of the international communications links. By far the biggest component is derived from charges for circuits of national carriers. These markups can increase the price to end users of international circuits to 10 times the fee charged by Intelsat.

Multinational corporations in particular favor diversity of international facilities. Some of the biggest boosters of Orion and similar projects have been big U.S. banks and broadcasting organizations. Traditionally heavy users of international communications, they expect to depend even more heavily on such links in the future to tie together new generations of computers and to transport programs for new television services.

National prestige also is on the line. The Europeans and Japanese want to encourage their own space and communications industries. They see competition to Intelsat as providing an expanded market for their hardware. Some Europeans and Japanese want to end what they see as U.S. domination of the global communications infrastructure.

Potentially the biggest loser is the Communications Satellite Corporation, Comsat, the U.S. commercial participant in Intelsat. Comsat owns 24 percent of the global system and enjoys exclusive access from the



CLOSE-UPS: A cross section of fiber, above, whose diameter measures .05 millimeters, shows the light conducting layers. Above, right, optic fiber cables and below, a microscopic enlargement of integrated circuitry.

Supercomputer Market: The Japanese Challenge

By Sarah Glazer

BOSTON — Japan's entry into the supercomputer market promises to stir up one of the few quiet corners of the computer industry. Current suppliers, all U.S. companies, expect the first challenge to take place this winter in Europe, a key market segment and one where one of the contenders is at home ground.

Two U.S. companies, Cray Research Inc. and Control Data Corp., both of Minneapolis, currently dominate the market for supercomputers — very powerful machines used for high-speed mathematical computation. According to Lloyd Cohen, an analyst with the Massachusetts market research firm International Data Corp., Cray claims 70 percent of the market with machines installed worldwide valued from \$4 million to \$11 million each. Control Data has 20 percent of installed machines, with the rest supplied by Denelcor Inc. of Denver.

"The market is very narrow in scope," Mr. Cohen said, "with machines used only by people who want to do a lot of number-crunching very quickly." This includes atomic energy commissions worldwide, laboratories that do weather predictions and oil companies that do seismic analyses.

"We've recently begun installing supercomputers in the engineering community as well," said Peter Gregory, Cray's vice president of strategic planning. He cited orders from the Swedish auto maker Saab and the U.S. aircraft maker Lockheed, both to replace expensive engineering models with computer simulations.

Japanese entrants are Hitachi and Fujitsu, which reportedly will install its first supercomputer this month in Japan.

Mr. Gregory said, however, that all-important benchmark test results have yet to be published and be speculated that Fujitsu will not be ready to mount its assault until "some time in the next six months."

Europe, where both Japanese companies have strong distribution channels, will be their first target market, said Norman Dawson, Control Data's vice president of international computer systems. Fujitsu sells its conventional computers through Siemens in Germany and Imperial Computers in Britain, and Hitachi has marketing agreements in Europe with Olivetti and BASF.

Siemens is already calling on supercomputer customers. Mr. Dawson said, "It is focusing particularly on accounts in France, where Cray was forced recently to delay delivery on two of four machines valued at \$5 million each because the government of French President François Mitterrand did not grant an import license."

If Fujitsu and Hitachi try to gain a market foothold by underpricing U.S. suppliers, "it could be a problem," Mr. Dawson said, because the small market is already "very competitive." In a round of discounting in past months both Cray and Control Data reduced prices significantly. And Cray announced a new supercomputer model this year that uses an advanced semiconductor memory technology to deliver comparable power at almost half the price of current models.

However, Mr. Gregory expects the Japanese entrants to price their products 20 percent below current levels. "The Japanese have never been known to be conservative on pricing," he said.

Another area in which U.S. companies will have to hustle to keep up with their new competitors is research. The Japanese government is sponsoring a supercomputer project with the professed aim of creating a machine 100 times faster than those produced by U.S. manufacturers.

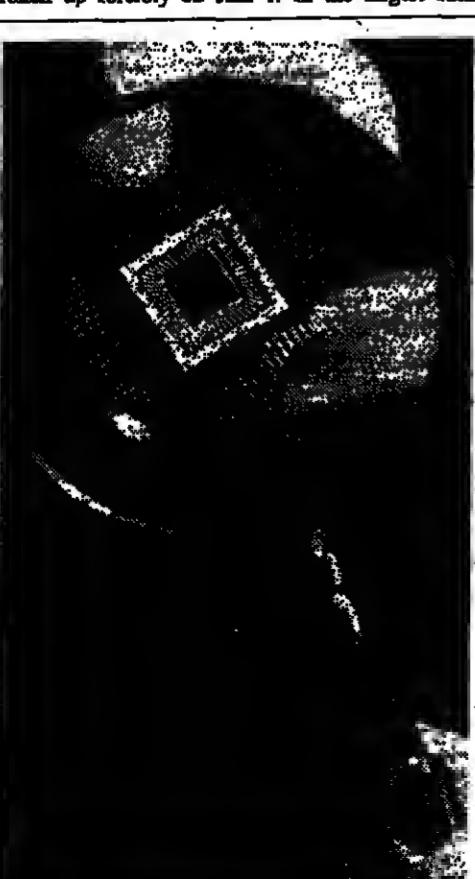
With six member companies — Nippon Electric, Mitsubishi, Oki, Toshiba, Fujitsu and Hitachi — the project will have a reported budget of \$320 million during an eight-year period. About \$190 million will come from the member companies and \$130 million more from Japan's Ministry of Trade and Industry.

Cray, with 1982 revenues of \$141 million, plans to match this research budget on its own, Mr. Gregory said. He said that since its formation, the company has put at least 15 percent of its revenues into research and development.

"People tend to fall back on hardware over huge Japanese research expenditures," he said, "but we're putting in about as much on our own."

Control Data, a \$4-billion computer-related products manufacturer, has a research strategy that revolves around its announcement in August to form a new company, ETA Systems Inc. With a \$200-million investment and 100 engineers from Control Data, ETA has a mandate to design a new generation of supercomputers.

Control Data plans to own only 40 percent of the new company after additional money is raised independently and will market ETA's products. "We took the best brains in our company out of the corporate environment," Mr. Dawson said of the decision to form the new company. "We felt we had to do this to compete against the Japanese," he said.



This highly integrated electronic chip forms the heart of ITT's System 12 digital exchange. The inner dark square measures 0.25 square centimeters.

(Continued on Page 13)

COMMUNICATIONS TECHNOLOGY

The Rules of the Game Change, Leaving Legal Uncertainties

By Delbert D. Smith
WASHINGTON — The rules of the game are changing. Satellite broadcasting and the delivery of teleservices via satellite are creating legal uncertainties while fostering a milieu of entrepreneurial activity unparalleled in the history of broadcasting and entertainment transmission.

The institutional framework is also in transition as issues of ownership, management and control of telecommunication delivery systems become predominant in an industry whose foundations are being shaken by technological change.

A number of emerging commercial trends are paving these changes. The first is the technological imperative that has taken us from terrestrial television distribu-

tions systems, through satellite delivery of programming for traditional networks, to satellite broadcasting directly to subscribers, which will eventually lead to high power, multipurpose satellite delivery systems and space platforms. These systems will deliver "infotainment" — a mixture of entertainment and information consisting of news, sports and special events, coupled with other tele-services such as personal banking, shopping, security, electronic journalism and even video game delivery.

As evidence of this trend, direct broadcast satellite (DBS) services are scheduled to begin in the United States as early as next month with the inauguration of United Satellite Communications service. It will be followed shortly by Sky-

band and, in 1984, the system of Satellite Television Corporation, a subsidiary of Comsat. Following these early entries there will be a number of high-power DBS systems provided by some of the eight other DBS companies that have received licenses from the Federal Communications Commission.

Lowered costs and simplified access procedures will stimulate the market for trans-Atlantic vision traffic for television programmers. This service, when coupled with the various DBS services and planned U.S. domestic satellite systems, can be seen as the precursor of the joint ventures of the future.

The major legal set of problems posed by the technological imperative, however, is that it very seldom is in synchronization with the institutional realities of the existing broadcasting and network systems. Questions are being raised in the international legal arena in areas of frequency usage, orbital arc locations, and creative content protection. There is concern with the regulation of foreign ownership in national broadcasting ventures as

well as with the latent questions that arise concerning cultural imperialism and censorship. Complicated issues of financing, program production and acquisition, copyright protection, and international telecommunications laws are changing the nature of the industry.

The second commercial trend is the transition from governmental systems to private-sector or hybrid institutional forms. The use of satellites for transnational communications was initially fostered by the governments of nation states, which, through the traditional vehicle of treaty law, established the International Telecommunications Satellite Organization (Intelsat) in the early 1960s. Intelsat, which operates a system of communications satellites positioned over the Atlantic, Indian and Pacific oceans, remains the domain of government agencies and public bodies established under municipal law, in most countries the post, telephone and telegraph agencies.

The use of this monopolistic satellite system for international distribution of television programming, however, is now being challenged by private enterprise. The push by private-sector interests for access to international satellite transmission capacity has given rise to a widespread legal struggle over control of the gateways to this communications resource. In an advanced form, this struggle has manifested itself in the emergence of challenges to the international satellite monopoly itself by Orion and International Satellite, Inc., private companies that seek to claim their share of international telecommunications traffic.

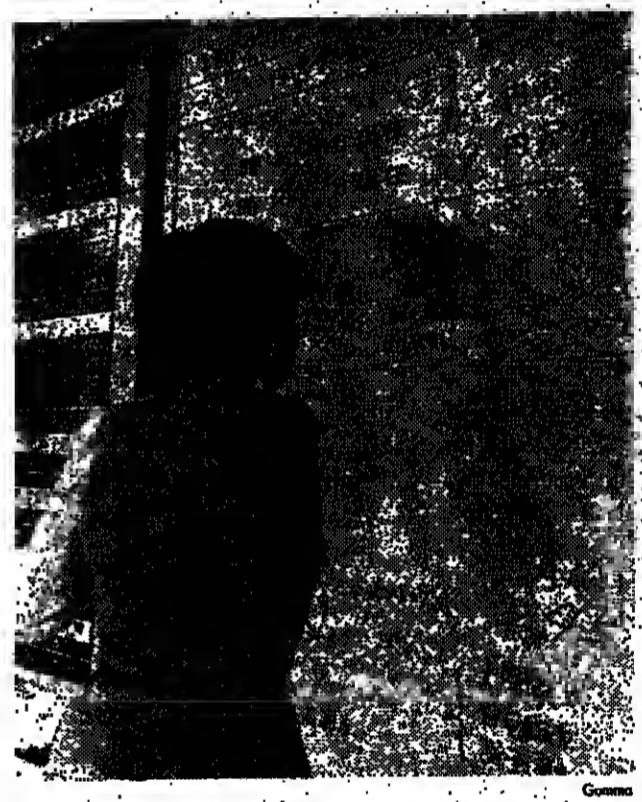
While the joining of this battle for control of the space segment itself is probably still several years away, the struggle for access to Intelsat satellites is a legal phenomenon. In the United States, the position of the Communications Satellite Corporation (Comsat), the U.S. member of Intelsat, is currently under review by the FCC in the form of two regulatory proceedings. In Britain, British Telecom International (BTI), the United Kingdom counterpart to Comsat, faces the prospect within the year of a privately owned company, Mercury, gaining authority to access Intelsat directly.

The transmission of video materials by privately owned satellites among countries raises its own host of legal concerns. Section 14(d) of the Intelsat Agreement prohibits

(Continued on Page 15)



Telephones and computer systems are vital to stock brokers such as Tokyo's Kaisei Security company.



Japan CSF radar

Computer Crime Fears Grow

(Continued From Preceding Page)

"Data and information, intangible when they are stored in a computer, are not usually recognized under legal definitions of ownership and property, according to Miss Briat, the lawyer in the ICCP division."

"Generally speaking," she said,

"information and data from the legal point of view are part of the public domain, and everybody can have access to such information."

So, defining what kind of property or ownership rights exist on data and information is very difficult, she said, adding that "if you don't have this definition, ... you cannot say it's theft."

In West Germany and Switzerland are considering changing some existing laws, as well as defining new offenses. Germany is looking particularly at the economic side of the issue.

In Canada, experts are leaning toward creating new sections of the law specifically to deal with computer crimes.

In the United States, specific laws have been adopted to curb computer crime, but only at the state level, and only in a third of the states.

On the national level, identical bills have been offered in the U.S. House of Representatives and Senate seeking to set penalties for people who tamper with, abuse or steal from federal computers or from private ones used in interstate commerce.

Other countries are examining a civil-law approach. Still others have yet to reach that stage and are trying to clarify the issues.

The result is that no common approach has emerged among the Western industrial nations for dealing with computer crime, whose losses are increasing each year as more and more computers are put into use throughout the world, experts say.

On the international scale, this poses problems of jurisdiction, extradition and prosecution in computer-crime cases. This is also why experts worry about the potential for computer-crime havens.

Loosely, they could be described as akin to tax havens — where money obtained in one country is sheltered in another to escape taxation.

Mr. Kenneth, an OECD administrator in the Information, Computer and Communication Policy division of the Directorate for Science, Technology and Industry, said that the full organization is comparing computer security standards among the nations and is trying to identify the legal questions arising from computer crime — "especially those with international consequences."

The legal questions alone would give most lawyers nightmares, since even in theft cases involving computers definitions of evidence and property rights often elude the experts.

crime in all countries, Mr. Kenneth said.

"It would be hopeless to try to say some naive statement like these 24 nations should all have the same law on computer crime," he said, however.

"It's obviously childish and can't happen because it has to fit their own constitution and legal system," he said.

Possibly, the member nations might agree on basic guidelines or recommendations — "soft law," as Miss Briat called it — to handle computer crime in the future, just as they agreed several years ago to guidelines to protect the privacy of personal information, Mr. Kenneth said.

If one nation had failed to adopt the guidelines to protect personal data, he said, it would have opened the door to those who might want to go to these "data havens" to collect such information.

A parallel exists for computer information and data, Mr. Kenneth pointed out, but they would be known as computer crime havens.



A Thomson-CSF technician in France prepares the communications payload of the TELECOM 1 satellite.

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COMMUNICATIONS TECHNOLOGY

Direct Satellite Broadcasting: Uncertainties Cloud Program

By Barry Fox

LONDON — Most major European countries will fire satellites into space over the next three years to emit programs that broadcast directly into homes. But venture is not assured, and the variables are numerous and intricately linked.

"One is to assure what programs the satellite system, known as DBS for direct broadcasting by satellite, will transmit, how and how much they will charge viewers who watch them and how many homes will be able to install the necessary reception equipment. Also, no one has agreed on what television system should be used."

DBS dates from the postwar period when the science fiction writer Arthur C. Clarke saw how German war rockets could reach into space. He suggested that a space station in orbit 3,600 kilometers (about 2,200 miles) above the Equator would keep step with the earth's rotation and appear from earth to hover in a fixed position. Since then, 20-year-old satellites have been parked in the so-called Clarke orbit to distribute radio, television, telephone and business data signals around the world.

The relatively low-frequency radio waves used for AM radio can bend with the Earth's curvature or reflect off the upper atmosphere, so they carry over long distances from an earth-bound transmitter. But the low frequency waves used to carry color TV, high quality sound and business data travel in more or less straight lines. They cannot get past the horizon. Even a 100-M radio or TV transmitter aerial covers only a relatively limited area.

It would be possible to transmit over a country or continent, by building an aerial thousands of miles

high. But this is obviously impractical. It is much easier to park a satellite in geostationary orbit. A program is beamed from the ground to the satellite, which receives the signal and transmits it to earth at a different frequency. The area that can be reached is into countries that should not receive them.

The satellites in orbit are communications craft, and their receiver-transmitters or "transponders" are of relatively low power of fewer than 10 watts each. Power in space is at a premium, because it has to come from the sun falling on large sail-like solar panels that convert light into electricity. The radio and TV signals coming from space are weak, so the ground receiving stations need large aerials, shaped like radar dishes. They can be 20 meters (65 feet) to 30 meters across.

The system works well. It is how TV stations in different cities, countries or continents exchange programs. The plan now is to use high-powered transmitters that broadcast signals directly from the satellites (hence DBS) that are strong enough to be picked up on small domestic aerials.

In 1977, at a World Administrative Radio Conference in Geneva, the International Telecommunications Union allocated a band of unused radio frequencies, around 12GHz, for DBS. European countries each were allocated five channels and the radio conference engineers recommended around 200 watts per channel. They predicted that with this power in the sky and the receiver technology available in the mid-1980s, domestic viewers 99 percent of the time would be able to get good pictures from a dish less than a

(Continued on Page 16)



A backyard satellite receiving dish in a wealthy Los Angeles neighborhood.

United Press International

Caribbean, Central American Regions 'Pirate' U.S. Television

By Peter Kerr

New York Times Service

NEW YORK — U.S. satellite signals carrying entertainment and news programs intended for cable television viewers in the United States are being intercepted by a growing number of television stations throughout the Caribbean and Central America and broadcast without authorization.

State Department officials and spokesmen for the U.S. film industry call the practice "piracy" and said it was likely to spread to other continents in the next three years as nations in Europe, Asia and South America launch satellites for the broadcast of cable television programs. U.S. cable networks normally use satellites to distribute their programs across the United States.

The theft of satellite transmissions, the film industry spokesmen said, threatens to damage seriously the overseas markets.

Such losses, film industry spokesmen said, could have a critical impact on film companies that often depend on foreign sales to make their motion pictures profitable.

In Jamaica, for example, the government-owned broadcast company last summer showed "Poltergeist," "Missing," "Victor Victoria," "Rocky III" and other films that had not been released in Jamaica.

The television broadcasts, which were taken without permission from the satellite transmissions of U.S. cable networks, caused a 50-percent drop in revenues for Jamaican theaters, according to Donald Graham, a spokesman for the Jamaican movie theater industry. Last month, Mr. Graham said, the Jamaican government stopped the broadcasts.

In Belize, a Central American nation with a population of 150,000, there are seven privately run television channels that depend on U.S. satellites for their programming, according to Manolo Romero, a Belize government official. Their broadcasts include programs from U.S. cable networks including Home Box Office, Cinemax, Spotlight, Cable News Network, Satellite News Channel and the so-called "superstations," WGN-TV of Chicago and WOR-TV, based in New Jersey.

Jack Valenti, the president of the Motion Picture Association of America, which represents the major film studios in the United States, said: "These satellites are being used as instruments of grand theft. In the coming years most of the world's visual materials will be delivered by satellite. If copyrighted material can be used without the permission of its owners, not only could the overseas film industry be destroyed, the ownership of all intellectual material could be endangered."

The owners of the foreign television stations that receive the satellite signals, however, said that the practice is legal. They point out that the laws involving copyrights and satellite transmissions in their countries are often ambiguous or nonexistent.

At the heart of the problem, lawyers for both sides agree,

are international laws that have not kept pace with rapid changes in communications technology.

The legal status of U.S. television programs in the Caribbean and Central America, the lawyers said, is reminiscent of the relatively anarchic state of the publishing industry in the last century before the United States established copyright agreements with other nations.

According to the Motion Picture Association, the pirating of U.S. television satellite transmissions has taken place in Costa Rica, Honduras, Panama, the Bahamas, the Cayman Islands, the Dominican Republic and Haiti, as well as in Jamaica and Belize.

The Caribbean and Central American nations are situated within the limited geographical area outside the United States where U.S. cable television satellite signals can be received.

The businesses that intercept the broadcasts range from individual hotels that show the programs in their rooms to major VHF, or very high frequency, stations that broadcast the U.S. films and television programs over the air.

Last summer the U.S. Congress included a provision in its Caribbean Basin Initiative to deal with satellite signal piracy. The initiative provides a wide range of economic benefits to nations in the area, including duty-free access to U.S. markets.

Under the new provision the president is authorized to withhold benefits to countries where television stations re-broadcast programs transmitted by satellite without the consent of the programs' owners. A spokesman for the State Department, Gerald Rosen, said that the United States was studying television broadcast practices throughout the region.

"This is a practice we should not tolerate," said Representative Marty Russo, Democrat of Illinois, who sponsored the provision. "If you allow one country to get away with this others will. It is our obligation to protect the property rights of our citizens."

But executives of foreign television stations that use the satellite signals said they saw the practice in a different light. Some, who were reached in a sampling of foreign television executives, said they would be willing to reimburse U.S. companies for the use of their programs but that the Americans were unwilling to enter into agreements. In the meantime, they said, the United States had no right to stop them from using the broadcasts.

"The United States won't be able to impose its laws on the rest of the world," said Frank Santomanno, the executive vice president of Rexta, a cable television company in Panama with 5,000 subscribers.

Some owners and managers of the stations argue that they are giving the residents of their countries their only chance to share in the abundance of information and entertainment that until recently was available only to more wealthy nations.

"People living on our island have traditionally been isolated," said Walter Bussiness, the director of Tele Haiti, which operates a cable television service in Haiti that offers news and other U.S. cable television programs to 7,000 customers.

"Now when [President Ronald] Reagan speaks on television our people see him instantly. It is our window on the world."

One possible solution would be for cable television networks to scramble their satellite transmissions. Home Box Office plans to start scrambling its signal later this year. But members of the Motion Picture Association said the scrambling systems may be too expensive for most broadcasters to use, and not effective enough to thwart highly professional pirates.

The technological changes that made the problem possible can be traced to 1975 when Home Box Office, the cable network owned by Time Inc., first began distributing programs by satellite. Cable television systems across the country began to receive movies and other shows picked up from satellite transmissions by dish-shaped antennas.

The satellites that are used for cable television broadcasts generally orbit in a fixed position in relation to the Earth. At least a half-dozen U.S. satellites are used by cable television broadcasters, but the one that handles the most cable television programming is Satcom III-R, owned by RCA. The satellite transmits signals that can be picked up in the continental United States, the Caribbean and Central America. Residents of more than 250,000 homes in the United States have installed the dish antennas on their roofs or in their backyards, to pick up cable television programs for free. In the United States it is a matter of dispute as to whether they are breaking the law, and there have been few prosecutions of people who have erected the dishes.

Approximately two years ago some people who were outside the United States but still within the area reached by U.S. satellite signals began to use this new source of television programming that, it seemed to them, was as free as the air.

"Our clients have really gotten to like the shows," said Fernando Batalla, the general manager of Cable Color Television, a cable television system with more than 4,000 subscribers in San Jose, Costa Rica. In addition to the U.S. movies and sports available on his cable system, Mr. Batalla said, Costa Rican television viewers receive U.S. cable programs on five VHF and one UHF, or ultra high frequency, channels.

More than 25 satellites designed to transmit television programs are scheduled to be launched in the next three to four years. They include satellites planned by France, West Germany, Brazil, Japan and Saudi Arabia. The new satellites will have "footprints" that cover most populated areas of the earth and will broadcast a tremendous amount of copyrighted material.

This Thomson CSF radar unit surveys river and coastal shipping in the Channel region of France. Canada has ordered the system for traffic in mouth of the Saint Lawrence River.

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COMMUNICATIONS TECHNOLOGY

Global Satellites: End of Monopoly?

(Continued From Page 9)

United States to the Intelsat system, under the terms of the 1962 Communications Satellite Act. Currently, virtually all Comsat's profits are attributable to its international satellite franchise.

Comsat has been joined in its battle by a large number of communications authorities abroad, known generically as post, telephone & telecommunications authorities, or PTIs. They see any encroachment on Intelsat's monopoly as a potential threat to their own longstanding national control of communications.

Particularly outspoken in their support of Comsat have been PTIs from developing countries that typically have not allied themselves with the United States on international policy issues. The PTIs claim that if Intelsat, with its internationally averaged satellite use rates, is weakened, then they will be forced to pay higher charges for international communications circuits.

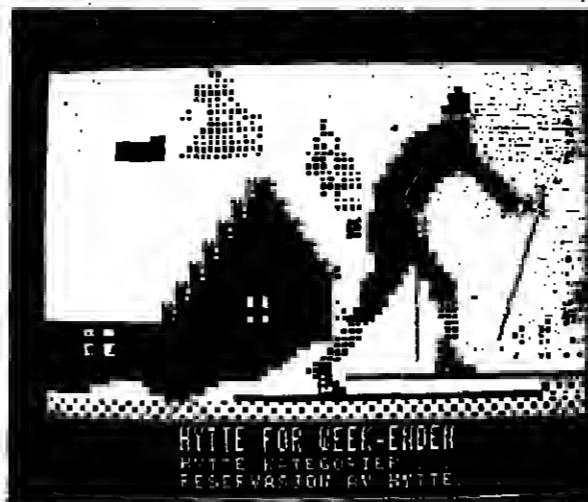
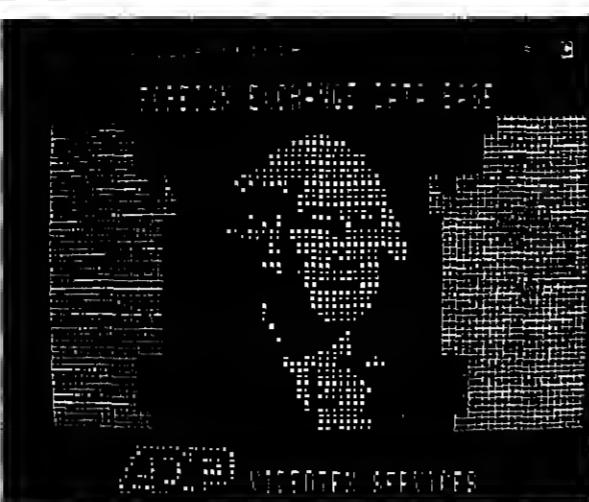
This central argument of the Intelsat supporters is in essence identical to that advanced by American Telephone & Telegraph Co. in the days before it gave up attempting to defend its de facto monopoly on domestic U.S. long-distance communications. AT&T's claim was that if competition were allowed, the competitors would take up lucrative routes, while abandoning rural and remote communities that failed to offer attractive profits. Translated into international terms, Intelsat argues that competitors would be happy to serve the United States, Japan and Europe, while ignoring the needs of countries like Sierra Leone, Jamaica and Malaysia.

According to Sanjiv Astra, who will retire as Intelsat's director-general at the end of this year, if Comsat and other competitors are approved, "the loss of large-stream traffic would substantially reduce Intelsat's revenues . . . during a period in which its capital costs would remain fixed." The result of such a course of action would be the impairment of Intelsat's ability to economically provide service to the rest of the world." Mr. Astra's successor, Mr. Colino, expressed similar views, telling a recent meeting of satellite communicators that "you don't need a degree from the London School of Economics" to be able to perceive the economic threat to Intelsat.

But Thomas McKnight, president of Orion Satellite, said that the Intelsat case is fundamentally flawed. "If the past is prologue, as it most likely will be, Orion's success will result in actually increasing the use and success of Intelsat." Mr. McKnight said that although AT&T's long-distance market share had declined in the United States with the authorization of competitors such as MCI Communications Corp. and GTE-Sprint, AT&T is carrying more long-distance traffic than ever because the entry of new systems stimulated the demand for communications and resulted in the introduction of new and profitable services. Mr. McKnight promised that entrants such as Orion would benefit users by providing more options and lower costs. He denied that smaller countries would be adversely affected, and said they would actually benefit, because "there's nothing to stop developing countries from taking advantage of these new systems."

Similar sentiments are expressed by some Europeans. In September, at the annual conference of the International Institute of Communications in Aruba in the Netherlands Antilles, René Collette, head of the Communications Satellite Department of the European Space Agency, said that Intelsat's monopoly of trans-Atlantic space traffic was no more defensible than would be a monopoly of trans-Atlantic air traffic. And Andrea Caruso, secretary-general of Intelsat, told satellite industry executives in St. Louis, Missouri, recently that if Intelsat faces economic harm, it will not be because of competitors, but because of Intelsat's own overly generous investment program, which now amounts to a cumulative investment in facilities of \$2.3 billion.

Meanwhile, massive investments are being made to provide even more sophisticated, capable and economic communications systems. Recently, Intelsat announced a new range of international business services, which will allow users for the first time to gain direct access to Intelsat's satellites from antennas mounted on the roofs of office buildings. AT&T has been moving forward with plans to build an underwater fiber-optic cable between the United States and Europe that will provide the first real terrestrial competition to satellite links.

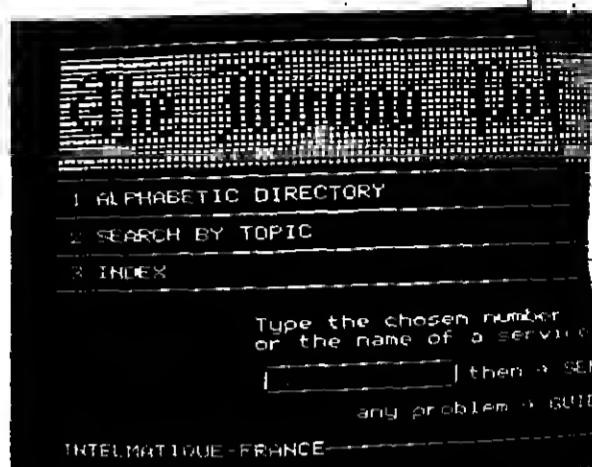


PROJECTED GROWTH OF VIDEOTEX AND TELETEXT IN THE UNITED STATES

End of Year	Videotex Receivers	Broadcast and Cable TV Teletext Receivers
1984	8,000	10,000
1986	200,000	50,000
1988	1,150,000	3,00,000
1990	8,000,000	20,00,000

The table charts the estimated growth in the number of home equipped with videotex and teletext in the United States during the 1980s.

Source: Arlen Communications Inc.



U.S. Market to Get Videotex System

By Gary Arlen

WASHINGTON — When Viewtron, Knight-Ridder Newspapers' \$30-million plunge into electronic publishing, goes into service in the Miami area late this month, Americans will get their first commercial taste of videotex.

Nearly three dozen tests and market trials of videotex, teletext and similar services have been run in the United States since 1979. The activity mirrors that in Europe, where Britain's Prestel videotex system began operating in the same year.

Viewtron is the first U.S. effort that asks home users to buy a decoder and pay about \$28 a month to get a package of information and services, such as electronic home banking and shopping and electronic mail with flashy computer graphics on a specialized home terminal.

Several similar projects are being readied in the United States: Times Mirror Co., another media conglomerate, is to launch its Gateway videotex project near Los Angeles next spring, and Keycom Electronic Publishing, a joint venture of Field Enterprises (a newspaper and television group), Honeywell Computers and Centel (a telephone and cable operating company), will start its Keyfax interactive information Service in suburban Chicago in April.

CBS, J.C. Penney, Citicorp and others are fine-tuning their own plans for videotex operations. Dow Jones, IBM, The Source and

The writer, president of Arlen Communications Inc., a research firm, is editor and publisher of International Videotex Teletext News and Teletext Services Report, newsletters based in Washington, and founder and of the U.S. Videotex Industry Association.

CompuServe have already staked important claims in the videotex business. And, most significantly, American Telephone & Telegraph has established its central role as an equipment supplier and network operator, a role expected to grow after the breakup of the telephone company.

Knight-Ridder and Times Mirror are recruiting other U.S. newspaper publishers to become affiliates of their videotex services, with an eye toward setting up electronic systems probably after 1986.

Britain's Prestel system has been in belatedly commercial service since 1979. France's government-backed Télématic program includes several videotex-type projects, such as an electronic phone directory system, which is putting hundreds of thousands of small Minitel videotex terminals in French homes; in addition the sophisticated Télétex project is now expanding from the Vézelay-Villefranche area to other parts of France.

Germany's Bildschirmtext service, officially inaugurated in September but awaiting delivery of an IBM mainframe computer next spring before it can be fully implemented, represents another ambitious step in the worldwide effort to launch videotex operations.

Throughout Scandinavia, in Italy, Spain, the Benelux countries, Canada, Brazil, Singapore, Hong Kong and Japan efforts are well advanced to bring videotex to homes and offices.

Most projects outside the United States are heavily backed by government communications agencies, with encouragement from industrial sectors seeking export markets for the hardware and software they develop for videotex.

The term videotex applies to the technology: a two-way, interactive transmission system using specialized terminals plus existing home television sets linked to host computers. It also applies to the package

of services: electronic publishing, home banking and shopping, video games.

The nature of videotex has changed during the recent years of experimentation. Originally conceived as an information retrieval system, videotex is now being developed as a medium for interactive transactional services, especially at-home banking, shopping and sending of messages.

British Telecom, which began creating Prestel a decade ago, wanted to encourage greater phone use by offering services beyond standard

(Continued on Following Page)

Major Losses Are Forcing Computerized Industries to Protect Data

By Theresa Engstrom

BOSTON — Growing revelations in the United States that unauthorized people including groups of teen-agers have gained access to supposedly secure computers have highlighted the issue of computer protection.

Until now, computer security experts said, it has been difficult to convince businesses that they need to protect their data until a company had a scare. "It usually takes a major disaster to make

them aware of the issue," said Fred Tompkins, chairman of the American Society for Industrial Security.

"The biggest problem is convincing management that information is a commodity, an asset like drums of chemicals or copying machines," said Brian Hollstein, a member of the security group.

The banking and insurance industries are the most concerned. Both industries, with their huge data bases of financial and actuarial information, realize that all their assets may be at stake.

International banks alone move as much as \$40 billion a day via electronic funds transfer. However, few cases against banks are reported.

"Banks' reputations are built on confidentiality," said William C. Grayson of the Federal Group International in Maryland.

"You're never going to see in the newspapers that a bank suffered a seven-figure loss."

To guard their reputations in a competitive marketplace, Mr. Grayson said, companies often choose not to prosecute violators to escape notoriety. Because no existing federal law prohibits unauthorized entry into a computer, prosecutors are treating those cases that do occur as wire fraud and use of telephone lines to obtain services without paying.

Experts estimate that only 15 percent of computer fraud and embezzlement cases are reported. The most widely publicized cases involve young computer hobbyists who have gained entry to large commercial computers. In instances where a computer is entered for fraud or embezzlement, authorities said, the culprit is likely to be an employee of the company.

In fact, people who are found to have gained unauthorized access are hired frequently by the victimized company so that the person's knowledge can be put to work for the company, not against it.

Often a user trying a common code—for example, the QWERTY keyboard pattern that is on most English-language typewriters—will find files he has been summoned from the computer's memory. In

one instance, users are given remote code numbers that correspond to geography. In the United States, for instance, the first three digits of a user's code number might be the person's telephone area code.

A breach of security can occur when computer operators write their private code numbers on paper, then tape the paper to the computer terminal. "I once walked out of a large bank with the security number," said Paul Ignoski, whose company, Stasis, makes security devices. "It was written on a piece of paper and labeled, 'computer access numbers.'"

Surprisingly, few companies put their computers in locked rooms. In many cases, physical security would solve the problem of unauthorized access. Now, in fact, with the popularity of microcomputers, a thief need only steal a floppy disk to gain access to a company's secrets.

Devices are appearing on the market now that offer protection for large, time-sharing systems.

One company, Digital Pathways of Palo Alto, California, makes a device that will double-check the identity of a user on a packet-switching system. When a user calls into the computer via the telephone lines, the device intercepts the call. Then a voice synthesizer asks the caller for an access code and explains that the line will be disconnected if the code is wrong.

Another example is Mupip, a computer hobbyist-oriented service available on Prestel, the videotex system in the United Kingdom. Although only operational since March, it already logs more user accesses than any other Prestel member. Unlike the usual Prestel service, which employs a simple terminal, Mupip 800 sells modems and software that enable its subscribers to hook up through their home computers.

Mupip is a personal computer which uses the network behind it.

Another example is Micromail 800, a computer hobbyist-oriented service available on Prestel, the videotex system in the United Kingdom.

Limited operational systems and pilot trials have been under way in North America and Europe for several years. They have concentrated on the retrieval of pre-packaged information from large centralized computers. Public reaction to such systems and to the growing presence of home computers is helping futurists and industry analysts gauge consumers' priorities and requirements concerning electronic home services and devices.

Analysts are centering their attention on two facets of electronic home systems. The first concerns home communications networks, computer-based systems that join the consumer to an electronic world of information, personal contacts and long-distance services.

The second area of interest is the integration of all in-home electronic devices into a single, easy-to-use system. U.S. households seem ready to welcome the arrival of sophisticated electronic gadgets. By 1995, from 15 million to 31 million U.S. households will have basic home information systems, called HIS, according to a comprehensive, 1983 study of 700 U.S. homes conducted by Booz, Allen & Hamilton, an international management consulting firm.

More than 80 percent of HIS users will be prepared to pay as much as \$33-\$35 per month for access to at least five services, such as home banking, video games and tele-shopping, according to the study.

Home computers alone can obviously offer this possibility, but without the access to the enormous fund of data that is available in large information systems. The most attractive solution seems to be the use of tele-software, programs sent between computers through telephone lines or cable.

The first European network to acknowledge this necessity almost from its inception has been the

other instances, users are given remote code numbers that correspond to geography. In the United States, for instance, the first three digits of a user's code number might be the person's telephone area code.

If the caller is illegitimate, the authorized user is alerted that someone is trying to use his account number.

The Stasis Security Key System is a device that looks like a house key but is a dynamic memory device. The key will block a micro-computer or a terminal. It costs between \$300 and \$800, depending on the size of the computer.

Another method of protecting information is to scramble it. With this method, a user assigned a password that allows him to unscramble the data.

Most password systems are designed so they can be changed frequently. But many companies do not bother to change the password. So a former employee or an illegitimate user could gain entrance to the computer.

"Big locks on the computer room are the most securing you can do," Mr. Ignoski said.

For companies using computers for inside purposes experts said the biggest threat to security is their own employees. A computer programmer can apply for a job, learn the company's routine, and within days have access to a computer.

The result can be a break-in or embezzlement with the computer—in a company's own backyard," Mr. Tompkins said.

Electronic Household: Futurists at Work Now

By Amiel Kornel

PARIS — Consumer trends are emerging that foreshadow high technology's role in the home of the future.

Industry analysts and futurists are studying them to predict the how and when of the electronic home's arrival.

The issues are different from those that concern the automated office or factory. Consumer preferences and needs will be the determinant forces in the electronic home's evolution. Technological, commercial and political factors will only affect the pace of that evolution.

The home is very different from the office," said Benjamin Compaine, an executive director of the Information Policy Program at Harvard University in Cambridge, Massachusetts. "In the office there is a very strict cost analysis. At home people don't make decisions in quite the same way. It is much more subjective."

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Austrian national videotex system. The Austrian telecommunications authority plans to rent an "intelligent" decoder, called Mupip, to all of the system's users. The Mupip attaches to a standard television set, transforming it into a home computer.

"The system provides not only textual information and graphics information, but also programs," explained Hermann Maurer, director of the product's development at the Technical University of Graz.

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COMMUNICATIONS TECHNOLOGY

Japan Aims to Split Phone Monopoly

(Continued From Page 9)

will not be able to compete strongly with private industry.² It is doubtful whether eventual privatization will greatly benefit foreign suppliers. Despite measures taken since 1981 to open NTT's shopping list to foreign firms, such purchases total only \$46 million, or 2 percent of NTT's annual buying.

NTT buys from a tight "family" of about 300 Japanese suppliers, of whom the biggest are NEC, Fujitsu, Hitachi, Sumitomo, Oki and Furukawa Electric. Orders are allocated in a fashion that foreigners say suits the companies' pricing and production, while the joint research done by NTT with the companies would violate U.S. antitrust laws.

One of the big problems for foreign telecommunication firms is that their products must be compatible with Japanese networks.

Motorola's much-valued breakthrough in 1982 to supply 45,000 pocket phones to NTT, with \$9 million, came only after years of work. Because NTT's technical requirements were different from anyone else's, the order was custom-made and cost Motorola a small fortune. "We just wanted to show we could do it," a senior Motorola executive said.

One area where NTT is at least moving in step with other national telecom services (such as British Telecom) is "value added networks." Private companies have already been licensed to resell to third parties the circuits they rent from NTT to transmit data, and during this session of parliament a bill will be submitted to do the same for voice. The "retailer" buys bulk circuits from NTT and then makes a profit by "enhancing" the circuits with added functions, such as speed, code or protocol conversions. Several companies are already making inroads in allowing otherwise incompatible computers and terminals to communicate with each other.

Another monopoly right that was lost recently was to supply the first telephone to Japanese homes and offices. Any approved supplier will do Japanese customers' can now choose from a variety of different telephone equipment, often advertised on television. Cable TV companies have also been given the green light to carry other services such as two-way videotex.

One of the major complaints of NTT is that as a public company it

gets lumped together with less successful government bodies and public corporations. One of the benefits of its public status should be exemption from tax, but because of its success, and the government's indebtitude, NTT must pay a heavy levy on its profits.

Likewise a private company sees a return on effort in profit. But NTT's "bonus" for investment is determined by the performance of other public corporations, according to Mr. Nishii. "What we have done in the past 30 years is to combine the bad parts of the bureaucracy and private industry," he said.

As an example, he cited the case of the "key phone," for which there is a big demand in Japan. NTT has a new key phone that is better and cheaper than the present one. "Of course people would like to replace their old one with a new one," he said. "However, NTT rents the telephones on the basis of cost accounting and the life cycle of the hardware, taking into consideration the rate of interest. So we face the problem that if people return the phone when only one half of its life cycle is used, we lose money. Private industry in the United States or Canada can recover the cost by increasing the charge for the new telephone."

The epitome of NTT's new technology is the JINS project, which would entail spending 20 trillion yen to 30 trillion yen in the laying of optical fibers throughout Japan to carry digital "bit based" telecommunications. The backbone of the Japanese project — a trunk optical fiber line from Fukutsu in the southern Kyushu island to Sapporo in northern Hokkaido — is already approaching completion.

Optical fibers, in which Japan claims to be already the world's biggest producer, can carry not only thousands of phone lines in one single strand but also facsimile, computer data and various view data, such as NTT's "Captain" system for home banking and shopping.

"If I may add a little to the dream of NTT, today the cost of optical fiber per meter is about 10 times that of copper cable," Mr. Nishii said. "However, if we can reduce the cost to where it is only two or three times more expensive, it is possible we might start introducing optical fibers to every household. That day will probably come within about 10 years."

Full Videotex System to Be Launched in U.S. Market

(Continued From Preceding Page)

voice calling. By developing a system that allows customers to look up all sorts of information — news, sports, weather, financial data — offered by a variety of suppliers and available through a low-priced home terminal, British Telecom hoped to build an ancillary service that would keep the phone lines profitably buzzing. But, after four years, Prestel has about 35,000 customers, many of whom use Prestel as an efficient time-sharing system to reach into specialized data bases.

The British experience has offered valuable lessons to U.S. and other videotex developers. The latest videotex projects include a heavy emphasis on private videotex systems, intended to offer simple computer services within companies or as a sales tool to allow firms to communicate with customers.

For example, automotive companies are using videotex systems to let dealers know what cars are available with what options; British Leyland is using such a system in England. Buick is testing a similar service in the United States, and travel agents are using videotex to book tours through large vacation packagers.

The other new twist in videotex development is the emphasis on

transactional services. Citibank, Chase Manhattan, Chemical Bank, Manufacturers Hanover and many others are developing electronic home banking services as part of their efforts to eliminate paper processing and speed up the financial float. Banking consortiums have teamed with Knight-Ridder, Times Mirror and other U.S. videotex operators to make home banking an integral part of videotex systems.

American Express, which has been an active participant in Britain's Prestel system, is preparing financial and other services for U.S. videotex systems. Some brokerage houses are designing videotex financial services.

Merchandisers — especially mail order companies — are another important component of videotex projects. In West Germany, companies like Quelle and Otto have successfully found ways to sell merchandise through on-line ordering systems on Bildschinterakt.

The rapid upheaval in the microcomputer world has affected the direction of the videotex industry. Sophisticated microcomputer networks with enhanced graphics and truly interactive services are easily mistaken for what is now called videotex. Furthermore, the dramatic

drop in prices of home computers and telephone connectors, called modems, is having an effect on videotex development.

Videotex terminals, with their high resolution graphics capacity, now cost \$600 and more in the United States — far above the price of off-the-shelf home computers. Indeed, many experts now foresee a natural overlap of videotex hardware with home computers, with appropriate videotex circuit boards being installed in microcomputers. Apple, IBM and others are already working in that direction.

This overlap between futuristic videotex service and today's home computer activity surfaces in current British systems such as Micronet 800 and HomeLink. Both systems use standard microcomputers, equipped with special software, to give users access to the Prestel data base and to videotex home banking services. The hybrid system has helped expand the Prestel audience significantly.

Technical standards for videotex systems are in flux. Incompatible formats have been developed in France, England, Canada and Japan. And despite efforts by units of the International Telecommunications Union (especially its international consultative committee on telephone and telegraph), it appears that problems will linger.

Private Companies Rush to Acquire Cable Licenses in Japan

By Jack Burton

TOKYO — Despite Japan's reputation in the forefront of video technology, the country still lags at least a decade behind the United States in setting up large-scale cable TV systems in major cities. Plans are now afoot to change that.

Cable TV has existed in Japan for almost 30 years, but it has been used mostly to transmit regular television programs to urban and rural areas that suffer from poor reception, such as city neighborhoods surrounded by skyscrapers or villages in the country's mountainous interior.

The Ministry of Posts and Telecommunications, which regulates all broadcasting in Japan, has maintained tight control over the expansion of cable services, particularly two-way "interactive" cable.

Until the recently announced deregulation of Nippon Telegraph and Telephone, two-way cable, which offers everything from selective pay programming to electronic shopping in the home, posed a threat to the government-run communications monopoly. The cable restrictions were enthusiastically supported by commercial broadcasters, who viewed two-way cable as a potential rival.

In addition, the ministry wanted to curtail cable until the technology was developed domestically to operate advanced two-way cable systems that could rely on optical fibers and satellites. The telecommunications ministry and the Ministry of International Trade and Industry actively fostered this technology by sponsoring two pilot projects in the Tokyo and Osaka areas.

Based on the projects' technical success as well as the government's apparent commitment to deregulate NTT, the telecommunications ministry announced to late May that it would approve applications for two-way cable services under private operation. The ministry officially recognized one-way cable service to 1972.

Because the license grants the holder exclusive access to a designated territory, private companies, to anticipation of the ministry's decision, had already begun to submit applications for cable operations even before the ministry announced the new policy. Claim staking was particularly active for the Tokyo area, considered potentially the most profitable market in Japan. First last December was International

Cable Network, backed by the advertising agency of Hakuhodo, Mitsui and Co., the trading house, Tokyo's Odakyu electric railway line and more recently Viacom, the U.S. cable company. ICN initially sought a license for the affluent suburban community of Machida City in the southwestern part of the Tokyo metropolitan area and plans to set up a network of five more stations in other parts of the country.

Two commuter railway companies, Seibu and Tokyu, also announced plans to construct cable networks. By stringing optical fiber cables along their electric railway poles or laying the more conventional coaxial cable lines through the communications ducts along the rail bed, they could avoid protracted negotiations with local authorities in gaining right of way permission for the system's installation.

Another attractive feature about cable for the railroad companies is that it could boost business for the department stores, supermarkets and real estate companies that they also own. And the companies have a ready-made audience for cable because of the housing projects they have developed along their railroad lines. Tokyu, for example, is betting on acquiring a number of subscribers from among the 100,000 persons housed in its large complex outside Tokyo.

The Marubeni trading house has more ambitious plans to lay coaxial cable lines, build a transmission station, buy programming and operate the Machida City network during its first three years. Marubeni is planning to form a partnership with the Uny supermarket chain and the Chunichi newspaper company in Nagoya, Japan's fourth-largest city. "We hope to eventually get 500,000 subscribers nationally, which will be enough to support satellite broadcasting," Osamu Masada, a Marubeni spokesman, said.

Other companies considering cable operations include newspapers, who hope to conduct computerized transmission of news copy, and major supermarkets and department stores, which are interested in selling consumer goods through the two-way system.

Their participation, however, could be ultimately eclipsed by the country's power companies, which possess the most extensive collection of utility poles to the country and thus can reach more households than the railroad companies, for example, Tokyo electric power has already said it is considering setting up a cable subsidiary to take advantage of its existing power supply network.

Even government agencies are likely to play a role in cable operations. Like the electric power industry, such state groups as NTT, Japan National Railways and the Japan Highway Public Corporation have extensive rights of way that would be needed if nationwide cable systems are ever constructed. NTT has already granted cable stations permission to lease the agency's circuits for broadcasts.

If these plans reach fruition, cable networks should be available to urban households by the mid-1980s. While 3.3 million households, about 10 percent of Japan's homes, are now wired to a cable system, the number is expected to grow to 5 million by 1986 and 10 million by 1990.

But several major obstacles lie in the path.

Although it is cheaper on a per capita basis to install cable systems in Japan than to the United States or Europe because of Japan's high population density, the amount of investment needed is still large. Local banks, newspapers and retailers, who stand to reap the biggest benefits from community cable service, cannot afford to support the cost alone, which is why they have agreed to cooperate with large corporations that have the capital.

ICN, for example, estimates that it will cost 5 billion yen to lay coaxial cable lines, build a transmission station, buy programming and operate the Machida City network during its first three years. Marubeni projects that it could cost as much as 10 billion yen to wire 50,000 Nagoya homes, the minimum needed to make the system profitable. A cable network reaching all 2 million households in Tokyo would cost more than 175 billion yen, according to an advisory committee at the Telecommunications Ministry.

One way to spread around the costs would be to franchise operations. But the ministry has barred this for the time being. Although it gave tax breaks to encourage cable, it stipulated that all cable companies must be regional in scope and that they cannot sell information services to other cable networks under different licensees.

The ministry also prohibited the consolidation of cable systems, which at present number 31,000 for one-way cable networks. The restrictions are believed to be designed to protect the interests of commercial broadcasters, who fear the competition from national cable networks.

Since the installation fee of 40,000 to 50,000 yen

that most cable companies are planning to charge will not cover the cost of the projects, they must rely on an average monthly service charge of 1,500 to 2,000 yen and advertising revenues to recover their investment as well as support operation costs. That means at least several years in the red for most cable operators.

And a big question mark hanging over the future of cable is whether enough subscribers will sign up to make such ventures profitable. Japanese households already pay a monthly fee of 1,000 yen to support the two state-run NHK channels, and viewers in such metropolitan areas as Tokyo have six other commercial stations to choose from as well. The program quality is good enough to make the Japanese the most avid TV watchers in the world.

Cable operators must find programming enticing enough to persuade viewers to spend more money to watch TV as well as break housewives of the habit of shopping twice a day in the neighborhood so they rely more on electronic shopping. Tokyo, for example, experimented with cable programming at one of its housing projects in 1972 but found that residents were not willing to pay for the service.

To help fill the void created by 10 to 30 channel cable systems, Marubeni last spring set up a joint company with Hakuhodo and Tohoku Shimbun, an importer of foreign films, to serve as wholesalers of video programs. The company plans to supply live broadcasts of sports and cultural events, foreign films and television programs as well as special films made to cooperation with domestic film production companies.

But regular television is not cable's only competition. NHK at the beginning of October started teletext broadcasts, which supplies the same sort of news and service information that cable plans to offer. Direct satellite broadcasts are also looming on the horizon, with an expected start-up date of 1989.

While the risk for cable operators is considerable, it is less so for the electronics industry. Even if cable fails to make a considerable foothold in Japan, electronics firms can continue to sell cable equipment overseas. Toshiba, for example, recently developed a new cable equipment to cooperation with U.S. television and communications for use in the United States as well as Japan.

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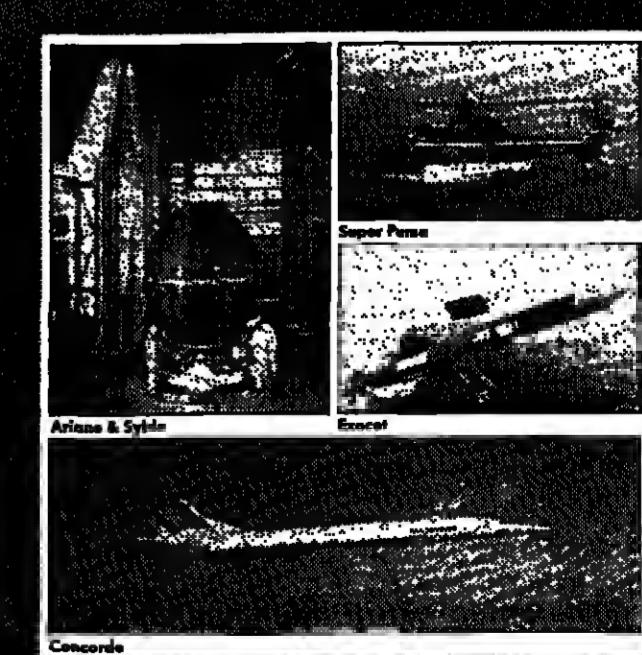
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COMMUNICATIONS TECHNOLOGY

Publishers Moving Data Processing Books Up FrontBy Bob Kucserman
The Associated Press

SALT LAKE CITY, Utah — From a few volumes about data processing hidden on shelves between calculus and differential equations, computer books have developed into one of the hottest items in the U.S. book business.

Piggybacked to the sales of small computers for home and business use, books about Apples and Commodores, Basic and Pascal are making fortunes for small publishers.

Sam Weller, owner of Zion Book Store in Salt Lake City, Utah, for instance, moved computer books from the back shelves to the front of the store last spring, after two years of rising sales. They occupy eight shelves and account for about 5 percent of sales, he said.

B. Dalton Bookseller, a leading U.S. chain, said its outlet stock 500 titles of computer books. Waldenbooks, another big chain, said it has stocked computer books for about five years. "We had good sales last year, and we'll triple them this year," said Michael Meyer, director of merchandise buying for the chain, based in Stamford, Connecticut.

Computer books will account for about 3 percent of Waldenbooks' sales, which is almost equal to sales of cookbooks, Mr. Meyer said. "Cookbooks are a very substantial part of our business," he said.

One publishing executive recently estimated that 2,400 computer books were in print and that most of them had been published in the past 18 months.

Mr. Weller said people who used computers as a hobby had started the increase in sales of computer books, but businesses are buying books now.

Joseph Esposito, director of computer publishing for New American Library in New York, traced the growth in the computer book market.

First, he said, "hackers," a term for computer enthusiasts, bought books. Then business people began studying word processing. Now, Mr. Esposito said, people interested in the computer as entertainment will begin buying books. "This generation sees the computer as a part of life, as an appliance like a Cuisinart, telephone, television and air conditioning," he said.

Computer books are said to have passed through both the dry, technical phase and the overly humorous one that was designed to appeal to beginners.

"The assumption was everyone was scared to death of microtechnology, and you had to crack jokes," Mr. Esposito said. "We've largely gotten beyond that."

New American Library will aim 20 titles at the mass market by Jan. 1, 1983, and up to 40 sometime in 1984, he said. Orders "are exceeding sales projections — and that almost never happens," Mr. Esposito said.

New American Library's sales strategy includes corralling its own stable of authors, such as Mike Cane, whose "Computer Phone Book" being published this year will provide a guide of computer networks.

The publisher also is reaching agreement with the Waite Group of San Rafael, California, to market through bookstores more sophisticated books mostly dealing with programming.

New American Library will market with Dilithium Press of Beaverton, Oregon, 14 books designed largely for the novice to the mass audience in outlets from bookstores to supermarkets.

Mr. Meyer said the Dilithium Press agreement pointed to a trend to less expensive books. At present, he said, novels — both paperback and hardback — average \$6.50 while computer books average \$17.

Satellite Telephone System: A Quantum Leap for India

By Kim Gordon-Bates

NEW DELHI — When India's first multilingual satellite, INSAT-1B, begins to relay intercity phone calls from one end of the subcontinent to the other, telecommunications in India will have undergone a major revolution.

The Indian government has embarked on a major program to improve telecommunications, especially the telephone system. Telephone density is fewer than three instruments for every 1,000 inhabitants, one of the world's lowest. The system dates from 1948, when the British company Automatic Telephone & Equipment (ATE), a forerunner of the Plessey group, won a contract to introduce the new nation's first indigenous telephone network. ATE gave India the Stromberg system, which relied purely on mechanical principles.

The system, which is now outdated, still constitutes the core of India's telephone operations. Later, in the 1960s, BTM, the Belgian affiliate of ITT, installed the Crossbar system.

All this, however, is being changed. Funds have been allocated to all the public-sector agencies dealing with telecommunications. The Department of Electronics, which acts as an advisory body to all the ministries seeking to acquire electronic know-how from abroad, has been issuing multimillion-dollar tenders to "ensure the development of a self-reliant telecommunications industry."

The Department of Posts and Telegraphs at the Ministry of Communications has been granted its largest budget ever, \$3 billion, to improve the country's basic telecommunications infrastructure for the current five-year plan, ending in 1985. Meanwhile, the country's main telephone equipment manufacturer,

Indian Telephone Industries, has seemingly unlimited access to public funds to attract "advanced proven technology" from the industrialized nations.

According to K.R. Nayar, director of the Telephone Research Center, the research and development arm of the Department of Posts and Telegraph, "the main problem we have to overcome is the inadequate level of indigenous production."

India has been successfully manufacturing switching equipment of the Stromberg and Crossbar types, coaxial and microwave transmission equipment, private automatic exchanges (PAX), electronic PAXes and electronic private automatic branch exchanges (EPABX). These are mostly produced by ITT's Palghat plant.

Established in 1976, Palghat quickly found itself in the paradoxical position of producing more exchanges than the country could absorb. To avoid a telephone exchange glut, the government was forced to liberalize its consumer purchasing procedures and allow direct consumer-producer outlets free of bureaucratic control.

ITI is about to sign a major contract with CIT-Alcatel, the French telecommunications multinational, in a deal that involves a \$35-million investment for the manufacture of digital trunk automatic exchanges (DTAX), at a rate of 150,000 lines a year.

(Continued on Page 16)

Margaret Masterson
Stacey's bookstore in Palo Alto, California.**Across Asia, Communications Have Highs, Lows**

By Dinah Lee

HONG KONG — Recently a Hong Kong customer complained to the local telephone company that despite much regular publicity given to the expansion of direct dialing services, he was still unable to dial directly to his home in India. "We had to diplomatically explain that it wasn't Hong Kong's fault," a Hong Kong telephone company executive said. "India just doesn't have the equipment."

The customer's dilemma points up the enormous gap in communication technology existing throughout a region well known to have unrivaled growth potential. Computers and telecommunications are among Asia's fastest growing industries. Hong Kong, with its well-developed international financial community, is on a par with London and New York in replacing the telephone and telex with high-speed data transmission systems.

They offer contact with overseas offices at less cost than telephone or telex while using the same telephone, telex and satellite channels.

But while Hong Kong is moving toward data transmission at the speed of light, long-distance callers in neighboring Malaysia, Indonesia or the Philippines are still kept waiting for hours.

It shouldn't seem strange, however, that some of the most modern systems are in increasing use in Asia, where developing countries can buy the latest and best equipment available. According to the assistant general manager, finance, of the Hongkong Telephone Company, Brian Kennedy, Hong Kong had until recently the world's largest urban optical fiber network, through which data can be transmitted by phone. The network extends 3,000 fiber-kilometers and has 13 exchanges. This distinction was erased with the recent purchase

of a larger system by Buenos Aires. "In two or three years' time our fiber optics network will be the equivalent of telephone lines," Mr. Kennedy said.

By 1982, the telephone network here covered nearly 2 million telephones, of which nearly a quarter were business lines, in a territory with more than 5.5 million people.

In 1982, Hong Kong used 85.2 million minutes of telex time. Mr. Kennedy said he expected growth in demand for data transmission to be 10 percent to 15 percent a year.

It was not so long ago that most hotels, shops and even sidewalk fast-food counters had a telephone sitting on a shelf for the free use of any passer-by. Although this is still common, pay phones are increasingly becoming the order of the day. Subscribers to international direct dialing number 100,000, with the service reaching 100 countries — if not yet India, everywhere

from Abu Dhabi to Macao. The fastest-growing route is to China. After much negotiation, direct dialing to Guangdong, China's southernmost province, was started this year, and other Chinese provincial capitals are expected to follow.

But the real competition and excitement is at the upper end of the market where the Hongkong Telephone Company and its rival, Cable and Wireless (HK) Ltd., which runs the city's telex and telegram services, are fighting to persuade the business community of the relative merits of their data transmission services.

In 1981, the Telephone Company jointly developed with Argon, in Tel Aviv, the software for the Datel Message Services, which began operation in December 1982, after a year's delay caused in part by objections from Cable and Wireless. The message service offers data transmission to London

New York, Los Angeles, Tel Aviv and South Africa, with the use of a telephone, a "modem" (a box modifying the telephone to a word processor), and the Telephone Company's main computer.

With a "packet switching service," this system speeds already prepared data messages from the large computer of a telephone or tele company to a corresponding computer at the destination and then passes the message to the subscriber. "People aren't concerned about the cost initially," Mr. Kennedy said, "but once they've got the system they look for ways to reduce costs."

Using the telephone system and almost any variety of microprocessor, a subscriber to Datel Message Services pays rates that are 20 percent to 25 percent cheaper than telex to the United States and Britain. For secretaries at a desk, the main attraction is that a word processor can be used for preparing messages rather than a special teletype machine.

The Hongkong Telephone Company said that precisely because its service requires no separate "dedicated network of lines" but uses simply the ordinary telephone system, it threatens the telex market. In Japan, both Kokusai Denshin Denwa and Nippon Telephone and Telegraph are, not surprisingly, very protective of their respective monopolies. The message service in Hong Kong is available to "pirates" in Taiwan who subscribe and receive their messages in Hong Kong's computer and can call in from Taiwan. According to one local report, Hongkong Telephone has said that it hopes to take 40 percent of the outward international telex business from Hong Kong in the next few years. Literally a block away, Cable and Wireless has its own new system called Dialcom, which began operation in September.

This system is operated by the Hong Kong company under license to Dialcom in the United States and is similar to British Telecom's Gold system and Australia's Mioera. Jim Carnan, Asia-Pacific sales manager for Cable and Wireless, said that a system using telephone lines was vulnerable to the corruption caused by bad lines, while Dialcom eliminates dependence on local telephone exchanges altogether. Unlike Datel Message Services, which is a "store and forward" system, Dialcom is called a "store and receive" system, also known as "electronic mail."

"Electronic mailboxes" are private — only a password can open and retrieve information.

Although the telex system is not connected to the Dialcom system, the telex machine can be adapted to talk to Dialcom.

The registration fee of 600 Hong Kong dollars puts the system in the range of the smaller business user who then pays 80 Hong Kong cents per minute of Dialcom transmission time.

According to Michael Lee, customer support manager, there are already 3,000 to 4,000 customers in the United Kingdom and 42,000 in North America.

He said that in a city like Hong Kong, where a large number of companies already have their own hardware, Dialcom uses a "mailbox," which the companies then can call from any terminal at home or in the office.

None of the big telecommunications companies has pushed its program to transmit ideographs as fast as one might think in a region where Cantonese and Mandarin Chinese and Japanese are dominant languages.

Because of the complexities of transmitting Asian languages with a keyboard, the Japanese market for facsimile transmission has grown faster than any other side of the new industry there, even though facsimile messages cannot be edited or "packaged" at high speed.



Satellite transmission and reception systems will upgrade India's telephone system.

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COMMUNICATIONS TECHNOLOGY

Nigerian Expansion Of Telecommunications Vital to Development

By Patrick Smith

LAGOS — Nigeria is the most populous and the richest country in black Africa, but its economic development is seriously hampered by inadequate telecommunications.

More than 180,000 telephone lines and 12,000 telex lines are due to be in service by the end of this year. Nigeria's economic planners estimate that before 1985 the country will have 2.5 telephone lines per thousand inhabitants.

The Ivory Coast and Zimbabwe have more than one telephone line per hundred inhabitants.

Nigerian officials at the government-owned Post and Telecommunications Department said that unlike these countries whose telecommunications have to service one major city and two or three other urban centers, Nigeria has a population of more than 80 million people with the present capital at Lagos, the new federal capital being built at Abuja and 19 state capitals. In addition there are more than 800 urban centers.

Africa has one percent of the world's telephone population. But, telecommunications is no longer seen as a luxury in Africa; it is seen as an instrument of development. Experience has shown that telecommunications can help basic resources such as transport, roads and water to be used more efficiently. As transport costs have shot up, governments have looked for savings in the telecommunications sector where developments such as digital switching and satellites have actually brought costs down in the long term.

One major problem has been the multiplicity of contractors operating in the country. A spokesman for the telecommunications department said 28 different telecommunications contractors are operating in Nigeria, but the government plans to cut this down to about six or seven companies in an attempt to standardize equipment used in the country. ITT Nigeria, the biggest telecommunications company in the country, is building a factory to produce a wide range of telecommunications equipment.

Officials at the Post and Telecommunications Department said that past efforts to improve the telecommunications network put too much investment in telephone switching equipment and exchanges and not enough in the external line plants and transmission (trunk) line facilities.

To rectify this they contracted GEC to refurbish all the existing transmission lines in collaboration with department staff.

The present government announced plans to install a new transmission system, including a coaxial cable system between Lagos and Kaduna — a distance of more than 800 kilometers (about 500 miles). This transmission line has 200 repeater stations, some of which are located in the bush with no readily available source of power.

The repeater stations rely on mini-generating stations to power them. It is usually the breakdown of one or more of these generators that causes breaks in transmission.

The Ministry of Communications estimates that the new national transmission system with its 500 repeater stations will cost more than \$150 million in fuel, spare parts and maintenance costs. To save money the ministry is investigating the use of solar power for the remaining parts of the transmission program.

Nigeria's domestic satellite built in 1977 provides for a network radio and television service and a national telegraph service.

Government studies indicate there is sufficient demand from government agencies like the central bank, customs, security agencies, and the commercial banking and media industries and from adjacent African countries to embark on an additional domestic satellite program.

Despite the continuing problems of city-to-city transmission there has been a significant improvement in the telephone system within cities.

This has been achieved by a massive program for the construction of telephone exchanges; in the last four years, 50 exchanges of varying sizes have been constructed.

Work is in progress on 30 more. These will be supplemented by more than 35 mobile exchange facilities.

The bulk of this work has been undertaken by ITT Nigeria, which acts as agent for ITT Corp. One of the biggest exchanges the company has recently been is at Ibadan.

It has a modern public switching network with an initial capacity of 10,000 lines and a capacity for up to 30,000 lines. The exchange cost more than \$60 million to build.

Other companies like Eltec (Nigeria), formerly Siemens (Nigeria) and Fujikura have worked on the major telephone exchange projects. And as part of government policy to use made-in-Nigeria products first, Eltec set up a cable manufacturing company following the commercial success of the German-Nigerian partnership company, Kabemetal.

The most tangible improvement in the Nigerian telecommunications system has been the improvement in links with the international telecommunications system.

Four years ago all international calls had to go through the operator and some had to be booked.

Since then there has been a 400-percent increase in international calls made from Nigeria but more than 5,000 subscribers have direct dialing facilities to the rest of Africa, Europe and the United States.

The chairman of Nigerian External Communications, Ibrahim Tahir, said the telephone company's turnover increased from \$74 million in 1980 to \$126 million in 1981 — while profits soared from \$7 million to \$44 million.

He said the company, conservatively estimated to be worth more than \$460 million, is now looking forward to a turnover of about \$650 million by 1985-86.

It operates an earth station at Lanlate in the south, built in 1972, and in Kujama in the north, completed this year.

Construction of a third station in the east of the country began at Enugu earlier this year. A fourth will be built at Abuja.

Busy U.S. Magazine Industry Backs Growing Need for Information

By Skip Wollenberg

The Associated Press

NEW YORK — When David Ahl began publishing a magazine to help people make better use of schoolroom computers nine years ago, he had the field largely to himself. Today, his magazine, Creative Computing, competes with more than 130 personal-computer publications, and new ones are born every week.

The rush to market in the United States is so frantic that in late July two publications with the same name — PC Week — appeared on the newsstands the same day. The conflict was resolved with computer-quick precision: One publisher agreed to buy out the other and hired the competitor's staff.

Mr. Ahl said that despite the proliferation of computer publications aimed at users of home and small business computers, he finds little has changed about why people buy them. "Someone new to the field still has the same need for basic information. They have to learn the rudiments of logically analyzing a problem. They have to know about the various components of a computer," he said.

One industry watcher, International Data Corp.

of Framingham, Massachusetts, estimates the number of computers in homes in the United States soared from 216,000 in 1980 to 2.3 million by 1982 and probably will more than double to 5.88 million this year. That has triggered a flood of magazines with names such as Interface Age, InfoWorld, Computer Kids and Digit. Some cover the industry in general. Others concentrate on specific personal-computer publications, and new ones are born every week.

Among the generalists are Byte, Computer, Microcomputing, Personal Computing and Popular Computing. The more specific magazines include Sync, which deals with Timex-Sinclair computers, and PC, PC World and Personal Computer Age, which cover IBM's Personal Computer. The Apple computer has inspired some of the more colorful magazine names — InCider, Nibble, Peeling II and Apple Orchard.

Still other magazines, such as Softside and Software, focus on the programs that make computers work — the software. The magazines are rooted in newsletters that sprang up after the introduction of microcomputers in the mid-1960s and microcomputers in the mid-1970s.

The newsletters frequently were geared to educators and were published by the computer makers

themselves or by professional organizations. Mr. Ahl, who once worked in marketing for a computer company, began Creative Computing in 1974 as a hobby from the basement of his house in New Jersey. With mailing lists from two computer manufacturers and \$600, he prepared and distributed about 8,000 copies of the first issue.

Circulation had grown to about 120,000 when the magazine was bought by Ziff-Davis Publishing Co. in 1981. Its circulation is now more than 250,000. The development of the microcomputer industry not only spawned a generation of computer magazines, but also helped change one long-running publication's name.

Popular Electronics, which had attracted a loyal following among hobbyists in 20 years of publication, was renamed Computers & Electronics in late 1982. Its publisher, William David, said circulation is steady at 400,000 for several years — had increased to 575,000 since the title change.

The personal-computer magazines are heavy with ads, mostly from computer and computer software companies. A few of them, such as Byte and PC, resemble telephone books at 600 pages and more. The magazines generally contain stories describing new products and their uses. They compare the performance of different machines and

software, answer questions from readers and provide programs that can be typed into a computer system. But each tries to be different. Mr. Ahl said his Creative Computing specializes in "in-depth evaluations" of equipment and software.

Compute!, which operates within the publishing division of American Broadcasting Co., gives the home-computer buff programs that can be used on a variety of machines, said Gary Ingerson, its president.

Personal Computing, published by Hayden Publishing Co. Inc., is written to answer the question: "What else can I do with my machine?" according to the magazine.

Byte, published by McGraw-Hill Publications Co., is aimed at sophisticated computer users, some of whom may have advanced degrees, said the publisher, Gene Simpson.

But publishing analysts said the number of computer magazines eventually will dwindle, probably in step with the widely expected shakeout in the industry that spawned them. "Every boom creates opportunities," said Ed Atorino, who follows the publishing industry for the investment firm of Smith Barney, Harris, Upham & Co. "Inevitably, there will be a shakeout as the ad dollars get spread pretty thin. How long until then, nobody can predict."

Six-Year Saudi Arabian Investment Program Is Beginning to Pay Off

By Robert Bailey

LONDON — The telecommunications system in Saudi Arabia is not yet on a par with North American systems or the best in Europe. But after six years of investment at levels that few developing nations could even consider, the kingdom is catching up fast.

Calls can now be dialed direct to about 80 countries. A one-minute call from Jeddah to Washington — which could not even have been attempted a few years ago with any certainty of getting through — is now made routinely, and at a cost of about \$2.60.

Almost unlimited funds have permitted the kingdom to install the latest in microwave, satellite and coaxial-cable technology. These links provide increasingly high standards of national and international communications for city and rural dwellers in the kingdom's vast deserts and often hostile environment.

While the cost and effort have been prodigious — Saudi Arabia has spent \$5.2 billion since it signed the Telephone Expansion Project contract in 1977 — the investment is proving to be one of the kingdom's best. The number of working telephones has increased from 160,000 to 800,000 in five years.

By relying primarily on computer-controlled digital technology rather than the conventional analog systems, the Saudis have obtained a vast increase in switching capacity, and a system that is compact and reliable — important traits in a developing country short on skilled manpower.

This ongoing investment has done much to improve the kingdom's infrastructure, adding to the rapid growth of commerce and industry. And there is to be no letup in spending, despite declining oil revenues.

The national budget allocates \$1.84 billion to be spent on telecommunications capital projects in the current financial year. And the armed forces are to spend

There is to be no letup in spending, despite declining oil revenues. The national budget allocates \$1.84 billion to be spent on telecommunications capital projects in the current financial year. And the armed forces are to spend almost as much to improve their own communications facilities.

almost as much to improve their own communications facilities.

The National Guard, for example, will have a nationwide microwave communications system under a \$700-million contract being coordinated by Cable & Wireless of Britain.

Along with its major push to develop internal communications, Saudi Arabia has joined with its Arab neighbors in an effort to develop regional satellite communications.

The kingdom is the majority partner in the project by Arab Satellite Communications Organization, or Arsat, to provide telecommunications services among Arab League countries, using two satellites being built by Ford Aerospace & Communications and Aerospatiale of France.

The satellites are scheduled to be launched in the second half of 1984 by the European Space Agency's Ariane-3 rocket and the National Aeronautics and Space Administration's space shuttle. The Arsat system represents the Arab world's most ambitious attempt at technical cooperation. It will provide telephone and data transmission services and a television channel that, for the first time, will offer educational television programs throughout the region.

Ground receiving stations are now being constructed. The main tracking and control station is being built in Riyadh by Nippon Electric Co. Saudi Arabia also likely to play a leading role in a proposed Islamic Telecommunication Union.

But the kingdom's greatest emphasis is on its own development plans. These call for an increase in installed switching capacity from the present 1.1 million lines to 2.25 million lines by 1990. Most of the work is expected to go to the original consortium of Philips of the Netherlands and L.M. Ericsson of Sweden. The two companies have installed more than 200 analog and digital exchanges, with connections to operational centers in Riyadh, Jeddah, Dammam and Taif. The computerized control center is based in Riyadh.

Italy's Sirti, through a local company called Saudi Arabian Telecommunications Co., known as Saratel, has supplied the key coaxial cable transmission element in the Saudi network. The cable stretches across

the kingdom, from Dammam to Taif. In September, Saratel signed a contract worth \$290 million to install an additional 2,500-kilometer (1,550-mile) cable link from Riyadh to Tabuk via Jeddah.

Microwave is the other principal transmission method. Western Electric of the United States in 1979 provided the initial 10,000-kilometer microwave network, involving 300 towers. In August 1982, American Telephone & Telegraph Co., the parent company of Western Electric, was awarded a \$378-million contract to expand the microwave system by almost doubling the number of voice circuits, now at 70,000. The enhanced system is designed to provide direct dialing to remote areas, including the Sharoura military center in the Rub al-Khalid desert.

The civil network will become more sophisticated with the completion by Philips and Ericsson of a national automatic telephone system. The work, due to be completed in 1985, involves the provision of 18,000 mobile telephones and 48 base stations, to serve 32 cities and towns as well as the Jeddah-Medina and Jeddah-Mecca road networks. The operation uses the Nordic Mobile Telephone system, which allows subscribers to make domestic and international calls from their cars.

Bell Canada Enterprises has managed the Philips-Ericsson system since 1977. This year it extended its arrangement with the Saudis for five years in a contract worth \$1.3 billion.

Eventually the Saudis are expected to assume the operation and management of their system, and probably will turn it over to the private sector. Alawi Darwish Kayyal, the minister of posts, telegraphs and telephones, reportedly plans to transform Saudi Telephone into an independently registered corporation by 1985.

Rules of Global Communications Change, Leaving Legal Uncertainties

(Continued From Page 10)

the use of non-Intelsat satellite facilities for international "public telecommunications service" without prior coordination with Intelsat to ensure the technical compatibility of such facilities with the Intelsat space segment, and it states that such use of alternative facilities will not cause "economic harm" to the Intelsat system. To date, Intelsat has concurred in the use of privately owned domestic U.S. satellites to provide television service from the United States to such neighboring countries as Canada, Bermuda and various Caribbean and Central American countries.

Since the resource of outer space is irreplaceable for efficient low-cost communication, it is only a matter of time before dispute settlement techniques and procedures will be extensively relied upon to

resolve conflicts. This will be true even with the existence of extensive satellite insurance, where the issue will be the interpretation of the policy language in the context of the state of the technology.

Extensive treaty law may be developed. The General Assembly of the United Nations recently adopted a resolution prohibiting transborder direct broadcast satellite transmissions to the households of a receiving country without the government's prior consent. The resolution, which was backed by the Soviet Union and Third World countries, represents a substantial restriction on international television programming and could have particular impact on the emergence of DBS as an applied technology in Europe, given the likelihood of "spillover" of transmissions to several U.S. satellites. As more

The action of the General Assembly will serve to reinforce for the United States and other technologically advanced countries what they perceive as a politicizing of the proceedings of the International Telecommunications Union (ITU), the specialized UN agency responsible for managing the international allocation among and use by nations of the radio spectrum, including via satellite. The ITU's jurisdiction to ensure harmonious use of the geosynchronous orbit by member states through a highly refined coordination process could be threatened as a result of such political undercutting. An interesting example of this was recently witnessed in Cuba's filing with the ITU of notice that it would seek to use a position in the orbital arc technically unacceptable close to several U.S. satellites. As more

countries strive to launch and operate satellites of their own for nationalistic reasons, the tensions thus experienced could be exacerbated.

Another major legal constraint on program content of television transmitted by satellite will be the application of international and domestic copyright laws. In the United States, the Copyright Royalty Tribunal has adopted special rules protecting the owners of domestic television programming received by satellite. The permutations in domestic copyright law reflected in the U.S. experience will take on new dimensions on the international plateau as television signals are transmitted not only between countries but among continents and/or across national boundaries.

The advent of space stations, or large space structures, will also continue to change the rules of the game. Because of the high-power transponders on space platforms, beam-shaping will be possible and platform-to-platform communication easily accomplished. However, the high cost of the platforms will

result in sophisticated joint ventures and multinational cooperative endeavors that will require new and innovative legal regimes.

The right to communicate is a basic right whether it is implemented by governments or private ventures. The rules need to be clear and, if at all possible, developed in an anticipatory fashion. This is the more difficult approach to the law. But then the game itself is for very high stakes.

If international telecommunications law can be adapted to facilitate platforms and dispute settlement techniques can be developed that are timely and equitable, then the new rules of the game will facilitate and support the technological imperative. If not, then the game will most likely take on a distinctly militaristic flavor — and then nobody wins.

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COMMUNICATIONS TECHNOLOGY

Digital Advances Bring 'Home Communications Hub' Closer

By Pearl Marshall

BONN — The start of production of digital television sets last month was viewed by many as the first significant advance in television since the introduction of color.

Standard Elektrik Lorenz (SEL), the West German subsidiary of ITT Corp., is the first manufacturer to bring such sets to the world's stores. By incorporating computer technology, the sets are able to convert today's incoming analog signals to digital data. This results in enhanced sound and picture quality. The only digital circuits in television until now were limited to control functions.

Within the next two to three years, viewers will be able to use digital sets to freeze a spectacular soccer goal kick or zoom in for a close-up.

As television becomes more like a computer, the long talked about "home communications hub" appears to be easily achievable by the end of the decade. Sets will not just entertain, but will provide outside communications for information retrieval, banking and shopping. Personal messages will be able to be sent to friends.

Some jobs currently done in the office will be carried out at home with the digital set, bringing pro-

found changes to family and city life. The potential changes already are being seriously examined by social scientists.

However, although digital TV brings such advances tantalizingly close, much development work still has to be done. Entry of the SEL sets into West German stores — and shortly those in Switzerland and Austria too — is viewed as only the first in a series of exciting breakthroughs over the next few years.

Such sets also simplify the removal of international broadcasting barriers caused by current in-

compatible TV standards because they can be manufactured to process signals in any broadcasting format. It is just a matter of which chip is put in the set.

SEL modeled a set capable of using France's SECAM system at an audio and video fair in West Berlin in September. East Berlin also uses the same transmission system.

SEL claims its ability to digitize almost all signal processing chores provides not only a crisper picture and better sound, but also increased reliability. This is because there are fewer components follow-

ing the replacement of about 300 conventional components with just seven chips and because the digital data constantly corrects performance deviations due to the aging of other components.

But are these advantages enough to attract viewers to the higher end of the TV market and will they pay \$1,000 for the SEL model? A SEL spokesman, Hans Engelkamp, who pointed out that the advantages are coupled with additional selling points, including a teletext decoder, said that he was positive about the market. The decoder processes additional information sent out by television stations in page format such as news, weather, sports and theater and opera programs.

West German viewers, too, are already oriented toward purchase of higher-priced sets because of their desire to receive stereo sound transmissions such as those put out in the last two years by the country's second TV system, Zweites Deutsches Fernsehen. The two sound channels often enable set owners to choose from one of two languages when viewing certain films. All SEL's new digital sets include such stereo sound reception.

West German viewers, too, are already oriented toward purchase of higher-priced sets because of their desire to receive stereo sound transmis-



Fred Langan

The Airplay tray video games fit onto passengers' dinner trays.

A Canadian Airline Hoping To Introduce Video Games

By Fred Langan

TORONTO — After a successful summer trial, the Canadian Airline CP Air is negotiating to add video games to its permanent list of inflight entertainment.

The decision by CP Air, a division of Canadian Pacific Limited, grew out of an experiment during the summer in which video games were built into trays on top of regular meal trays. The games, including blackjack, baseball, boxing and tennis, were rented to passengers for \$3.50.

The machines, more like handheld video games than the more sophisticated ones in arcades, offered two or three separate games for the experiment.

The inventors and the airline plan to build more complex versions.

CP Air tested the games on one of its longest flights, the nine-hour Vancouver-to-Amsterdam flight, as well as on its Vancouver-to-Toronto flight.

Passengers could also pay \$3.50 for earphones for music and movies, but video games were available to passengers who were sitting in the oom-movie section of the plane.

The games emit a slight beep similar to a pocket calculator.

A survey of passengers who used the games showed that 95 percent would rent them again.

CP Air's manager of inflight product development, Don Buchanan, said it was almost certain the airline would go ahead with the idea, pending an agreement with suppliers.

"We're looking at a no-risk situation for the airline," he said. "They can use our audience in exchange for the machines."

The idea for the game came at about 30,000 feet, to a passenger, Michael Thorek, who said he was

fidgeting with the tray in front of him.

California, also made games for the CP Air test.

The difference between the experimental machines and an acceptable final product would be about \$450,000 to \$500,000 in development," Mr. Thorek said. CP Air would like the more advanced versions to provide flight and safety information and a small computer as well as games.

Mr. Thorek said his share of profits would come not from outright sales of the games but from a revenue-sharing agreement. "The airline supplies the space. I supply the games and we share the revenue," he said.

Another firm, Altus of San Jose,

also made games for the CP Air test.

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WEDNESDAY, OCTOBER 26, 1983

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BUSINESS PEOPLE

B.S. Thomas to Be Executive Director of Merchant Banker Samuel Montagu

Barbara S. Thomas is to leave the U.S. Securities and Exchange Commission after serving three years of her five-year term, giving President Ronald Reagan the opportunity to shift the balance of power on the five-member SEC further toward his own thinking.

Mrs. Thomas, the second woman to serve on the SEC and the youngest commissioner in its history, is to become the first woman executive director of the London-based merchant bank, Samuel Montagu. She will also become president of the company's U.S. subsidiary, Samuel Montagu Holdings.

Mrs. Thomas, a Democrat, was appointed to the SEC by President Jimmy Carter at the age of 33 after a meteoric career that led to a partnership in the New York law firm of Kaye, Scholer, Fierman, Hays & Handler.

"When I came to the commission, I was the most conservative person on the SEC," she said recently. "But the commission has moved so much toward the right that I am now precisely in the center."

Her expertise and outspoken views on securities and international capital markets have won her a considerable reputation outside the United States. When she joins Samuel Montagu in January, she is to divide her time between offices in New York and Hong Kong, where she is expected to have a galvanizing effect on the merchant bank's Far Eastern operations. She is energetically bullish about the future of Southeast Asia in general and Hong Kong in particular and has enthusiastically supported her husband's move to open an office of his New York-based law firm, Paul, Weiss, Rifkind, Wharton & Garrison, in the colony.

Mrs. Thomas, who was visiting London this week to speak at a conference on self-regulation in the securities industry, said she was "absolutely thrilled" at the challenge presented by her new job.

"To think that such an old-established London company should have someone who is American, a woman and my age as a director is very exciting," she said, after her election to the Samuel Montagu board.

"But I feel I must stay on at the SEC until the crucial vote on shelf registration in November. I feel it is a very bad system, as applied to equities, and I must be there to try to force a compromise."

Lennings Seen Resigning From GHH

Manfred Lennings, chairman of the executive board of West Germany's Gutheil-Gutheil engineering group, is expected to resign early next month following clashes over his rescue plan for GHH's main subsidiary, Maschinenfabrik Augsburg-Nürnberg, maker of MAN trucks and diesel engines. Mr. Lennings is also chairman of the supervisory board of MAN, which had a loss of 300 million Deutsche marks (\$16 million) last year on sales of 8.8 billion DM.

A GHH spokesman said this week that the group could make no official statement, as "no one can predict what may happen" between now and the extraordinary general meeting that has been called for Nov. 8.

But company officials have indicated that Mr. Lennings will probably be succeeded by Klaus Goette, formerly of Allianz Versicherung, the insurance giant now stalking Britain's Eagle Star Co., and the Flick industrial group. Mr. Goette is a member of MAN's supervisory board.

Other Appointments

A senior advertising man from the London office of J. Walter Thompson, John Scott, has been appointed director of marketing, Europe, for Burger King.

Mr. Scott, who was a senior associate director of JWT, joins Bill Prather, Burger King's recently appointed senior vice president and general manager, Europe, as the world's second-largest hamburger chain launches a renewed assault on the European market, backed by a \$20-million cash injection.

At present, Burger King has 69 outlets in Europe, out of a worldwide total of 3,500. The company's target for Europe is 350 by 1987, with 50 in Britain.

Anthony Macaulay, a partner in the law firm of Herbert Smith & Co., is to be the new secretary of London's panel on takeovers and mergers.

Graham Pinault, secretary for the past two years, will return to his firm, Lowell White & King, Nov. 7.

Svenska International, the London-based subsidiary of Svenska Handelsbanken, one of Sweden's largest banks, is now licensed to issue credit cards and has named Lars Engvander as managing director. Other Svenska appointments are Leif Engvander, deputy managing director; Henrik Glass, director, banking services; Howard White, director, corporate finance; John Mattner, director Eurobonds, and Christopher Weller, director and financial controller.

—IAN ELLIOTT SHIRECROFT

CURRENCY RATES

Interbank exchange rates for Oct. 25, excluding bank service charges									
	U.S.	D.M.	F.F.	£.L.	€.D.	BLF.	SLF.	DKL.	DKL.
Amsterdam	2.922	4.882	122.25	34.8	1.1846	5.89	10.02	31.26	54.895
Brisbane	5.025	79.528	20.305	—	1.281	10.157	25.115	—	—
Frankfurt	2.603	3.903	—	32.7	1.644 X	4.678	4.705	22.64	—
London	1.499	2.306	11.926	2.395	1.000	7.045	12.00	1.71	—
Milan	1.693	2.875	10.24	—	1.000	2.045	7.915	16.32	—
New York	1.4975	2.8622	1.0255	1.000	0.649	0.818	0.719	1.04	—
Paris	7.945	11.911	265.52	—	1.000	22.77	14.975	36.00	44.425
Zurich	2.1141	3.161	1.17	34.62	1.37145	7.235	3.960	—	22.47
ESCU	—	2.352	1.074	1.37145	—	—	—	—	—
ESDR	1.8481	0.7807	—	—	1.000	2.045	14.975	—	—

(*) Commercial firms. (**) Amounts needed to buy one pound. (**) Units of 100 (**) Units of 1,000.

U.S.D.: not quoted; M.A.: not available.

INTEREST RATES

Eurocurrency Deposits Oct. 25									
Deposit	D-Mark	Swiss	French	Swiss	French	ECU	SDR	U.S.	U.K.
1M	9.1%	5.5%	2.5%	2.5%	4.5%	12.5%	12.5%	9.1%	9.1%
2M	9.1%	5.5%	2.5%	2.5%	4.5%	12.5%	12.5%	9.1%	9.1%
3M	9.1%	5.5%	2.5%	2.5%	4.5%	12.5%	12.5%	9.1%	9.1%
6M	9.1%	5.5%	2.5%	2.5%	4.5%	12.5%	12.5%	9.1%	9.1%
1Y	9.1%	5.5%	2.5%	2.5%	4.5%	12.5%	12.5%	9.1%	9.1%

Key Money Rates

Key Money Rates									
United States	U.S.	British	Close	Prev.	U.S.	British	Close	Prev.	U.S.
Discount Rate	5.5%	5.5%	9	9	5.5%	5.5%	9	9	5.5%
Refined Products	5.5%	5.5%	9	9	5.5%	5.5%	9	9	5.5%
Brokered Loan Rates	5.5%	5.5%	9	9	5.5%	5.5%	9	9	5.5%
1-month Treasury Bills	5.5%	5.5%	9	9	5.5%	5.5%	9	9	5.5%
3-month Treasury Bills	5.5%	5.5%	9	9	5.5%	5.5%	9	9	5.5%
CDs 30-59 days	5.5%	5.5%	9	9	5.5%	5.5%	9	9	5.5%
CDs 60-99 days	5.5%	5.5%	9	9	5.5%	5.5%	9	9	5.5%
West Germany	5.5%	5.5%	9	9	5.5%	5.5%	9	9	5.5%
Switzerland	5.5%	5.5%	9	9	5.5%	5.5%	9	9	5.5%
Japan	5.5%	5.5%	9	9	5.5%	5.5%	9	9	5.5%
France	5.5%	5.5%	9	9	5.5%	5.5%	9	9	5.5%
U.K.	5.5%	5.5%	9	9	5.5%	5.5%	9	9	5.5%
Other Interbank	5.5%	5.5%	9	9	5.5%	5.5%	9	9	5.5%
Bank of America	5.5%	5.5%	9	9	5.5%	5.5%	9	9	5.5%
Bank of New York	5.5%	5.5%	9	9	5.5%	5.5%	9	9	5.5%
London	5.5%	5.5%	9	9	5.5%	5.5%	9	9	5.5%
Paris	5.5%	5.5%	9	9	5.5%	5.5%	9	9	5.5%
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Paris	5.5%	5.5%	9	9	5.5%	5.5%	9	9	5.5%
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Paris	5.5%	5.5%	9	9	5.5%	5.5%	9	9	5.5%
London	5.5%	5.5%	9	9	5.5%	5.5%	9	9	5.5%
Paris	5.5%	5.5%	9	9	5.5%	5.5%	9	9	5.5%
London	5.5%	5.5%	9	9	5.5%	5.5%	9</td		

BUSINESS BRIEFS

ESCO Corp. Makes \$338-Million Bid For the Acquisition of Hyster Corp.

PORLAND, Oregon (AP) — Hyster Co., the Portland-based lift-truck manufacturer, says it had received a \$338-million acquisition bid from ESCO Corp. It was the second takeover offer made to Hyster in recent weeks.

ESCO, Hyster's largest shareholder and also from Portland, offered to pay \$69 for each of the 4.9 million shares it does not already own, according to a news release from Hyster. Hyster said the offer is subject to negotiation of an acceptable acquisition agreement, completion of necessary financing and the approval of the Hyster board and shareholders.

Hyster announced Sept. 6 that it had received a leveraged-buyout offer from Kohlberg, Kravis, Roberts & Co. for cash and securities totaling \$63 a share.

Ford, AMC and Chrysler Say Sales Up

DETROIT (AP) — Ford Motor Co., American Motors Corp. and Chrysler Corp. all reported higher mid-October sales.

Ford said Tuesday its new-car sales in mid-October increased 36 percent from the weak year-earlier period. It shipped 55,658 autos from Oct. 11 to Oct. 20, up from 40,922 in the like period last year.

American Motors Corp.'s sales were up 41.2 percent in the period, at an estimated 4,800 autos, while Chrysler said it delivered 27,175 autos, up from 22,003.

So far this year, Ford's sales are up 15.5 percent, from 1,070,549 to 1,236,628. Chrysler has gained 24.5 percent, from 548,746 to 683,467. Alliance sales have helped boost AMC's tally 91.2 percent above year-earlier levels, or 151,515, compared with 79,233.

Last year's mid-October domestic car sales were the lowest in 24 years, based on daily sales.

IBM May Sell Hitachi Its Technology

TOKYO (AP) — International Business Machines Corp. has agreed in principle to furnish Hitachi Ltd. with large-scale computer-software technology, a Hitachi official said Tuesday.

Hitachi will pay for the use of all software technology similar to IBM's, the official said, but he refused to comment on details of the contract.

In the agreement with IBM, Hitachi has recognized the property value on software technology, the official said. But he denied that in doing so, Hitachi was acknowledging that software can be copyrighted. Earlier this month, Hitachi settled a lawsuit brought by IBM alleging the theft of IBM trade secrets.

TWA and Pilots Agree on Wage Cuts

NEW YORK (AP) — Trans World Airlines said Tuesday that the carrier and the pilots' union reached tentative agreement on a plan to cut pilots' wages and benefits.

The agreement is subject to ratification by the Air Line Pilots Association's master executive council and TWA's 2,800 pilots. The company would not give details of the agreement.

TWA's announcement came one day after an airline source said TWA's parent company, Trans World Corp., recommended to its directors that the carrier be spun off as a separate company. The board is expected to vote on the matter at a Wednesday meeting in San Francisco.

Toyota Said to Set Order for GM Work

DETROIT (AP) — Although Toyota Motor Corp. has not released documents sought by the Federal Trade Commission in its review of the Toyota-General Motors Corp. joint venture, officials of the Japanese automaker are reported as saying that stamping machines are being ordered for the venture.

An FTC spokesman, Neil Friedman, said Monday the commission's review of the venture is on hold while it awaits financial data from Toyota. The FTC sent Toyota a letter last week warning that the venture is jeopardized unless the commission gets the needed information.

But the Japan Economic Journal, in its edition released in Detroit on Monday, said the chairman of Toyota, Eiji Toyoda, disclosed that the company is ordering stamping machines for the venture. The two automakers plan to build Toyota-designed subcompacts at Fremont, California, for as long as 12 years.

Exxon Reports Profit Climbed 21% in Quarter

(Continued from Page 17)

aided the performance by SoCal. In the nine months, California Standard earned \$1.18 billion, or \$3.47 a share, up 24 percent from \$952 million, or \$2.78 a share, a year earlier. Revenue declined 22 percent to \$21.7 billion from \$28 billion.

On Monday, Standard Oil Co. (Indiana) had reported that its third-quarter earnings rose 4.5 percent primarily on improved profit margins for petroleum products and better earnings of its chemical products.

Atlantic Richfield Co. blamed a 9.3-percent drop in its third-quarter profit on lower crude oil prices, higher oil- and gas-production expenses and reduced petroleum-product margins.

West German Stocks

FRANKFURT — The Commerzbank index of 60 leading West German shares, base 1953, rose to 1,017.5 Tuesday from 999.5 Monday, the highest level since Sept. 6, 1980.

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Gold Options (prices in \$/oz.)

Price	No.	Fiat	Mo.
\$20	125-125	125-125	225-250
200	225	225-225	140-160
250	—	725-925	725-925
300	—	825-925	725-925
350	—	225-325	525-625
Gold	384.92-397.25		

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The Netherlands
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Coleco Says Net Fell 87% In 3d Quarter

The Associated Press

WEST HARTFORD, Connecticut — Coleco Industries Inc., citing lower sales of programs for Atari Int. and Mattel Inc. video games, said that it would sell most of its 54 retail stores to a group of Dallas investors, ending its three-year attempt to sell office products through company-owned retail channels.

Coleco said Monday that it will not achieve its target of shipping 500,000 of its new Adam home computers by year's end, a target company officials previously had insisted would be met. Coleco said, however, that shipments "are expected to be very substantial" in the fourth quarter.

The company said it earned \$2.3 million in the quarter ended Oct. 1, down from \$17.6 million in the year-earlier quarter. Per-share earnings fell to 14 cents from \$1.15, while sales fell to \$114.5 million from \$165.6 million.

Coleco's president, Arnold Greenberg, said his company has been buffeted by "unusually rapid and significant changes taking place in the video-game and home-computer field."

For the first nine months of the year, Coleco's earnings slipped to \$27.6 million, or \$1.71 a share, from \$29.5 million, or \$1.93 a share, in the corresponding period last year.

The two other principals in Gena Group are Norman E. Brinker, former chief executive officer of Pillsbury Restaurant

Xerox Planning to Sell Most of Its Retail Stores

By Andrew Pollack
New York Times Service

NEW YORK — Xerox Corp. said that it would sell most of its 54 retail stores to a group of Dallas investors, ending its three-year attempt to sell office products through company-owned retail channels.

The move, announced Monday, represents a sudden shift by Xerox from its plans to add as many as 50 new company retail stores a year. The company now says it will seek to market its products through independent computer and office-equipment stores.

Xerox's withdrawal is in line with moves by other computer makers that have been unsuccessful in selling products through their own stores. Texas Instruments has closed its retail stores and Digital Equipment Corp. has scaled back its plans significantly.

Xerox said it has reached a tentative agreement to sell most of the stores to Gena Group Inc. of Dallas, headed by Joseph T. Verdesca, the former chairman of Computer Roomers Inc., which makes furniture for computer retail stores.

The two other principals in Gena Group are Norman E. Brinker, former chief executive officer of Pillsbury Restaurant

Japan to Inform Brock of Ceiling

Reuters

TOKYO — Japan will tell William E. Brock, the U.S. trade representative, the new ceiling on Japanese car exports to the United States for 1984 when he arrives later this month, sources at the Ministry for International Trade and Industry said Tuesday.

But Japan cannot agree to a U.S. request for a ceiling of week

that those stores would be closed.

The pullout from the retail business is yet another setback for Xerox's attempt to supplement its copier business with other office equipment. While Xerox pioneered in many segments of the office-automation business, such as telecommunications and easy-to-use computers, it has not capitalized on its early lead.

"It's just another sign of Xerox's attempts to move into new markets that didn't succeed," said Sanford J. Garrett, an analyst with PaineWebber Mitchell Hutchins. He said the sale, while embarrassing for Xerox, would not affect its earnings significantly because the retail stores accounted for only about

\$50 million of Xerox's \$3.5 billion in annual revenue.

Starting a few years ago, several computer makers including International Business Machines, Control Data and Digital Equipment, began to set up retail stores as a way of selling inexpensive computers, typewriters and copiers to small businesses. But the company-owned stores have proven less than successful in competing against the computer stores that have sprung up in the same time but carry a broad range of products.

"I don't think anybody has done well," said Ellen Levin, an analyst with International Data Corp. in Framingham, Massachusetts.

said the automaker expects to make a "modest profit" in the fourth quarter because of the vehicles.

In the first nine months, AMC had a loss of \$154 million. A year earlier the automaker had a loss of \$150.6 million.

Sales for the third quarter were \$776 million, up 21 percent from \$641 million in 1982. In the nine months, sales totaled \$2.2 billion, up 29 percent from \$1.7 billion in 1982.

Devoe-Holbein Int. N.Y.
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Cellular Products
Bid \$20.50 - ask \$33 Units

(Prices in U.S. dollars)
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AMC Loss for Quarter Shrunk to \$9.1 Million

United Press International

SOUTHFIELD, Michigan — American Motors Corp.'s \$9.1-million loss in the third quarter was its 14th consecutive quarterly deficit. But the automaker hopes to break the trend in the fourth quarter with new and redesigned vehicles. AMC is 46-percent-owned by Renault of France.

But Japan cannot agree to a U.S. request for a ceiling of week

that those stores would be closed.

The move, announced Monday, represents a sudden shift by Xerox from its plans to add as many as 50 new company retail stores a year. The company now says it will seek to market its products through independent computer and office-equipment stores.

Xerox's withdrawal is in line with moves by other computer makers that have been unsuccessful in selling products through their own stores. Texas Instruments has closed its retail stores and Digital Equipment Corp. has scaled back its plans significantly.

Xerox said it has reached a tentative agreement to sell most of the stores to Gena Group Inc. of Dallas, headed by Joseph T. Verdesca, the former chairman of Computer Roomers Inc., which makes furniture for computer retail stores.

The two other principals in Gena Group are Norman E. Brinker, former chief executive officer of Pillsbury Restaurant

controls on the Soviet Union in 1978 for jailing dissidents, Caterpillar Tractor Co. claimed an 85 percent share of the Soviet market for pipeliners, which are tractors with special hoists that place oil and gas pipelines into trenches. That business helped it dominate the world market in pipeliners and these exports were \$50 million to \$100 million a year, the company says, or about 1 percent of total revenues.

Caterpillar's share has since fallen to 15 percent of the market, while the portion of its principal competitor, Japan's Komatsu Ltd., has risen to 85 percent. The Soviet business has also put Komatsu into a stronger position to challenge Caterpillar's world leadership.

The Soviet market is also a major concern of U.S. farmers. Under the new long-term grain agreement signed earlier this year, the Soviet Union has agreed to take at least 9 million metric tons a year and up to 12 million tons valued at about \$1.8 billion, or about 10 percent of total U.S. grain exports of 100 million tons.

For most companies, even Caterpillar, Soviet exports are marginal business. "But over time it's significant, and we want to be able to compete," said Stephen E. Nehouse, a Caterpillar spokesman. In a recession, he pointed out, even marginal business is important.

Dwayne O. Andreas, chief executive of Archer Daniels Midland Co., a food-producing company, underscored that point recently at the opening in Moscow of "Agribusiness-U.S.A." the first all-American trade exhibition in Moscow for six years.

Separately, Wheeling-Pittsburgh Steel Corp. said that it narrowed its third-quarter loss to \$9.89 million from a loss of \$26 million a year earlier. Sales fell nearly 4 percent to \$186.7 million from \$194 million.

"We are here more or less out of fear, fear of losing the business to someone else," said Mr. Andreas, who is on the executive committee of the fair's sponsor, the U.S.-U.S.S.R. Trade and Economic Council.

(Advertisement)

DAI-ICHI KANGYO BANK

DKB ECONOMIC REPORT

October 1983: Vol. 12, No. 10

3-year old recession in Japan has ended, but export-led recovery could be fragile

The Economic Planning Agency on September 1, in issuing its monthly business diffusion index, also announced the turnaround of Japan's three-year-old recession. The Agency said the previous business peak was observed in February 1980 and the trough in February 1983.

The length of the latest recession — more than three times that of the past average of 11.2 months — indicates the magnitude of the second oil shock. Because of the unusually long recession, corporates hope for business recovery are now on all the stronger.

According to the Short-term Economic Survey of Principal Corporations conducted by the Bank of Japan in August, major corporations in manufacturing industries expect gains of 6.4 per cent in sales and 33.9 per cent in profit for the second half of fiscal 1983 over the first half, and those in nonmanufacturing industries anticipate gains of 5.7 per cent and 29.2 per cent, respectively.

As shown in the diagram, corporations have become more optimistic about business prospects. The outlook as seen by export-oriented firms, such as machinery, automobile and textile companies, has brightened conspicuously. However, the ceramics, construction, real estate and retail industries take a gloomy view, mirroring the sluggishness of domestic demand. Medium and smaller firms in the manufacturing sector have become more optimistic, but those in the non-manufacturing sector, which is relatively less connected with exports, are grim in its judgment of prospects. Thus optimism and pessimism are clearly divided along industrial lines.

Evaluations by almost all industries and companies of all sizes is that it will take a turn for the better. However, for this to become a reality, increased production — triggered by increased exports — will have to generate a gain not only in corporate earnings but also in personal income and, further, stimulate corporate investment and household expenditures. What are the possibilities?

Production and shipments have been on the upturn since the start of this year. This is due largely to the recovery of exports.

Export shipments rose 5.1

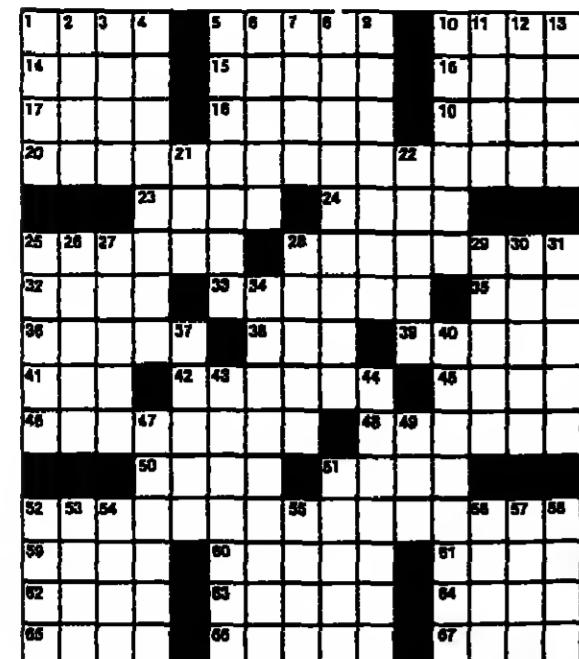
per cent in the January-M

Tuesday's AMEX Closing

Vol. of 4 p.m. 4,428,000
Prev. 4 p.m. Vol. 4,718,000
Prev. Consolidated Class 7,038,000

Tables include the nationwide prices
Up to the closings on Wall Street

	12 Month High Low Stock	Div. Yld. PE	Sz. 100s	High Low	Close	Close Out. Chgs.		12 Month High Low Stock	Div. Yld. PE	Sz. 100s	High Low	Close	Close Out. Chgs.		12 Month High Low Stock	Div. Yld. PE	Sz. 100s	High Low	Close	Close Out. Chgs.	
22% 8% CDI	14 9	265 255	257	12 - 14	12	+ 14	-	15% 8% Enviro	10 8	32 21	32 24	1124	12 12	+ 14	-	21% 1% Prams	12 12	32 12	32 12	114	114
14% 5% CHI	20 9	1358 1256	1256 + 14	12 - 14	12	-	-	15% 8% Fobrad	12 12	32 24	32 24	1124	12 12	+ 14	-	21% 1% Prentiss	12 12	32 12	32 12	114	114
25% 17% CIR	14 11	245 240	240 + 16	12 - 14	12	-	-	15% 7% FPA	12 12	32 24	32 24	1124	12 12	+ 14	-	21% 1% Prentiss	12 12	32 12	32 12	114	114
32% 14% CIRCU	14 11	10 10	10 + 16	12 - 14	12	-	-	15% 7% FPG	12 12	32 24	32 24	1124	12 12	+ 14	-	21% 1% Prentiss	12 12	32 12	32 12	114	114
25% 7% CIRCU	12 12	10 10	10 + 16	12 - 14	12	-	-	15% 7% FPG	12 12	32 24	32 24	1124	12 12	+ 14	-	21% 1% Prentiss	12 12	32 12	32 12	114	114
12% 11% CIRCU	12 12	10 10	10 + 16	12 - 14	12	-	-	15% 7% FPG	12 12	32 24	32 24	1124	12 12	+ 14	-	21% 1% Prentiss	12 12	32 12	32 12	114	114
7% 4% CEMENT	15 15	42 42	42 + 16	12 - 14	12	-	-	15% 7% FPG	12 12	32 24	32 24	1124	12 12	+ 14	-	21% 1% Prentiss	12 12	32 12	32 12	114	114
8% 8% CEMENT	15 15	42 42	42 + 16	12 - 14	12	-	-	15% 7% FPG	12 12	32 24	32 24	1124	12 12	+ 14	-	21% 1% Prentiss	12 12	32 12	32 12	114	114
7% 4% CEMENT	15 15	42 42	42 + 16	12 - 14	12	-	-	15% 7% FPG	12 12	32 24	32 24	1124	12 12	+ 14	-	21% 1% Prentiss	12 12	32 12	32 12	114	114
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7% 4% CEMENT	15 15	42 42	42 + 16	12 - 14	12	-	-	15% 7% FPG	12 12	32 24	32 24	1124	12 12	+ 14	-	21% 1					



ACROSS

- Quahog
- Storms
- Outlay
- Branches, 10
- biologists
- Fragrant
- Golden-rule word
- Psyche's beloved
- Shalom
- Bus section
- Naive query after Casey struck out
- Gamble
- Shank's
- S. a. rabbit
- Bushed
- Dissertation's name
- Nobelist in Literature: 1971
- Proteo producer, for short
- Sedimentary materials
- Abner's radio partner
- Farmed U.S. painter: 1870-1953
- Mr. Iacocca
- Dance step
- Locale
- Dribbs
- Memorable Lincoln portrayer

Down

- Bligh's hands
- Pasternak paramour
- Good role
- Abuse
- Bamboozles
- Smart
- Low is one
- Peneyrics
- Manor manager
- Said "!!!"
- Sandlotter's kind of cat
- Top banana
- Raced
- What Casey didn't get

© New York Times, edited by Eugene Maleska.

DENNIS THE MENACE



"My dad is pretty old, but mom is around my age."

JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

RUETT

CUEJI

DESSUR

JOADIN



WHAT THE LAWYER DEMANDED TO HAVE WITH HIS DRINK.

Now imagine the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here:

(Answers tomorrow)

Yesterday's Jumble: VENOM, BRARI, CUTING, HOLLOW.

Answer: The minor didn't know whether he had struck this—IRON ORE WHAT

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SPORTS

Back to Their Roots, the Danes March On*International Herald Tribune*

LONDON — If you have the defense, or the lack of imagination from a midfield that on Wednesday will not include Tibor Nyilasi, for so long the orchestrator of Jose Magyar causes?

And what is one man, one occasional genius indeed, against a team brimful of individualist flair?

There is, for a start, Olsen himself. One of a dozen Danes in Dutch professional soccer and of the 50 who are scattered around the continent in major European leagues, Olsen is a slight and stern

ROB HUGHES

der figure but one gifted with such blinding pace, such instinctive awareness, that better defenders than the Hungarians often cannot find, much less stop him.

At Ajax of Amsterdam in previous seasons, the 22-year-old Olsen blossomed best when his "minder," swift midfielder Jesper Olsen, is only a small cause.

That he means the Hungarians may have improved out of all recognition from the wretchedly inadequate team that lost at home to land a fortnight ago. It is, as so wittily says, a small race, although Hungary has re-ed its wayward genius, Andras Kovacs.

Torosak," says his national manager, Gyorgy Mezey, "is of the few Hungarians who can well against the type of soccer we play." Never mind that they a month ago set fire to discuss such a talent; how is Torosak

now? Olsen, but also the craftiest Danish pimpernel of them all, Allan Simonsen benefits from Lerby (who, incidentally, has now replaced Paul Breitner at Bayern Munich). Simonsen became quite simply one of the finest forward European soccer has produced. He was coached by the late Henning Weisweiler at Borussia Mönchengladbach, he became a match-winner in West Germany and at Barce-

lona and, after an appalling degree

of mistreatment there and a facili-

ty miscast couple of months with the ailing English second-division club Charlton Athletic, he returned home to semi-retirement with his first love, Veje.

We should all be so devastatingly

effective, in our dotage. Simonsen has lately withdrawn from the front-running role that has so far

reaped 20 goals in 39 internationals

to apply his worldly knowledge as a

creator from midfield. Weisweiler

would love to have been around

now to see how his pupil matures.

But why should Simonsen accept a role less potent than the goal scoring for which Weisweiler schooled him? Because the Danes have found fresher wings/half who represented Denmark in soccer in the Olympics of 1908, 1912 and 1920 and who became the forerunner to the continuing line of Danish exports by playing for and captaining the English side Chelsea between 1913 and 1922.

Middleboe's phenomenal enthusiasm for the sport as it was conceived — as a game of enjoyment and creativity — brought him into contact with the greatest thinkers the game has produced.

He exchanged views with Eng-

land's Walter Winterbottom, with Brazil's Vicente Feola, with Sir Matt Busby and the great players of the fifties and sixties. And, dismayed at a trend that disgusted the players from thinking for themselves, "fearing that the craze of exaggerated defensive methods which dull the game and ruin attendances might spread to Denmark," Middleboe produced a little brown book.

He signed with Juventus, and plays on loan for Lazio of Rome while Juventus perseveres with Michel Platini and Zbigniew Boniek, its two permitted foreign ers.

We haven't mentioned the style

by which these individuals opponents, haven't spoken of goal-

scorers like Kenneth Brylle and

Lars Bastrup, who would be first choice in most nations. We haven't considered Denmark's defense because the need seldom arises.

And if the presence of so many talented individuals — harnessed at last into a team by the experienced Sepp Piontek — makes you feel slightly dizzy, then imagine the apprehension in Hungary.

But where does all this ability come from? I would go all the way back to Niels Middleboe, born in 1887, a tall, graceful wing-half who represented Denmark in soccer in the Olympics of 1908, 1912 and 1920 and who became the forerunner to the continuing line of Danish exports by playing for and captaining the English side Chelsea between 1913 and 1922.

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The old master is, of course, gone now. His message was offered equally in his homeland and in the country of his finest sporting hours. Denmark seems to have learned more from it than England; because the gospel is worth spreading ready as still with the ball, passing, control and intuition.

In 1970, at the age of 83, Middleboe made a final gesture to his second soccer home by arranging for 2,500 copies of the book to be distributed to English schools.

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In 1970, at the age of 83, Middleboe

NFL Standings
AMERICAN CONFERENCE

East

West

National Conference

Central

West

OBSERVER

Reagan's Moscow Envy

By Russell Baker

WASHINGTON — Twenty-four hours in Washington, and I have the blues. The place has an acute case of Moscow envy. It's not just the new architecture, all those squat cement and glass blocks with their Stalin-esque initiation that humans are all right in their proper place and that their proper place is inside a filing cabinet, though that helps.

The Moscow envy is more obvious in the growing passion for secrecy, which has infected even that son of the wide-open camera, Ronald Reagan. There he is on television. While the people have the right to know about their government's attempts to overthrow other governments, "You can't let your people know without letting the wrong people know — those who are in opposition to what you're doing," he is saying.

Here is a wistful admission of envy for Moscow's power to preserve public ignorance. Of course it's wrong, the president concedes — "People may have the right to know," he says — but, by golly, wouldn't it make my work a lot easier if I had Andropov's power to keep you in the dark?

The day after the president's public onset of Moscow envy the local press details progress in government operations aimed at erecting a Washington version of an iron curtain between government workers and the people who pay their rent. There is, for example, the new presidential directive establishing lifetime censorship upon every hired hand who handles classified paper.

The order took effect last March. The General Accounting Office says it will affect 2,500,000 government workers and 1,500,000 people working under government contracts.

This extraordinary effort to prevent the flow of informed criticism is the most blatant evidence so far of the fever produced by Moscow envy, yet there is no great outrage about it.

The day after the president's press conference the local press reports an advance in the security police's progress toward buttoning the lips of bureaucrats. Richard Willard, a Justice Department lawyer who believes in mechanical lie

detection, says all agencies have just been authorized to apply random polygraph tests on workers of their choice, even those not suspected of "leaking" information.

I can understand Soviet bureaucrats tolerating this sort of degradation. Life in or out of the Soviet bureaucracy probably involves endless bullying by the state, and remaining inside the apparatus at least means retaining considerable economic advantages.

But will U.S. government people balk? Well, the pay is good and Washington is a comfortable place to live. Still, you might expect a certain number who fret about dignity and honor to clear out rather than have their honor determined by measuring heartbeat behavior and perspiration flow.

There's also a comic side to this institutional squalor, and during this 24-hour period in Washington it takes the form of a "closed door" debate in the House of Representatives. They are debating whether to continue financing "covert" warfare aimed at overthrowing the Marxist government of Nicaragua.

So the city is treated to the absurdity of a covert debate about a covert military operation, details of which have been publicly known for months. Details of the covert debate will be published in tomorrow's newspapers.

It grinds the souls of local people who believe it important that CIA agents be done on governments we dislike that these covert operations so often become uncovered. The frequency with which they become public mocks the Washington dream of beating Moscow's KGB operators at their own game.

The suggestion that perhaps Washington should stop honoring Moscow with the flattery of trying to ape the KGB at strongarm stuff and subversion has never been well received in Washington. It is usually dismissed as silliness of people who are "unrealistic" about the world.

This response expresses the ultimate in Washington's Moscow envy, for it is only an oblique way of saying that Moscow has discovered the "realistic" way of dealing with the world. Now, that's depressing.

New York Times Service

Elie Wiesel

*"I'm Terrified of Being the Last Survivor,"
Says Chronicler of the Holocaust*

By Samuel Freedman

New York Times Service

NEW YORK — When he was almost 11, his son, Shlomo-Eliash, was deported from his home to a series of concentration camps, there to be separated from his mother and sisters, there to see his father die before his eyes.

Shlomo-Eliash is Wiesel's wa-ger, not a perfect world, but on the better side of humanity.

"My life is a commentary on my books, not the other way around," says Wiesel, who is 55. "When Marjorie, my wife, told me she was pregnant, my first feeling was fear. What am I doing? The world is not worthy of children. I was frantic. But the next wave was joy. Will it be a boy or a girl? Whose name will it be — my mother's or my father's?"

"I must confess, I felt something special when I carried him for the circumcision. The circumcision is a very mystical rite. The rabbi had a very beautiful way of putting it," he said. "A name has returned. When I was called to read the Torah by name, Eliezer ben-Shlomo, now there was Shlomo ben-Eliezer. For weeks and days and months, I would carry him in my arms. I saw myself when I was a child. A name has returned."

These are retrospective and cautiously positive times for Elie Wiesel. His writing, while informed as ever by his survivor's vista, has come to embrace the Hasidic tradition, which celebrates, if nothing else, the triumph of survival, of singing and dancing despite heartache. His newest book, "The Golem," to be published next month, is an illustrated legend, and he speaks of writing a book of children's stories, the ones he tells Eliash (as he prefers to call his son) before bed-time.

As Wiesel has expanded his literary scope, he also has largely achieved his initial goal of perpetuating the story of the Holocaust.

Little of the criticism ever bo-

"Night," his memoir, has sold about 1 million copies and has become the most widely-read work in Holocaust literature. This year, Robert McAfee Brown published a glowing critical overview of Wiesel's work under the almost reverential title of "Elie Wiesel: Messenger to All Humanity."

Wiesel is chairman of the U.S. Holocaust Memorial Council, the body that will create a national museum of the Holocaust in Washington.

And with Wiesel's fame has come, on the one hand, a dehumanizing sort of adulation and, on the other, criticism of his writing and his personality — little of it rendered in public — from some American Jewish intellectuals.

And so a part of Wiesel remains frightened, insecure. "I am still afraid," he says. "I live in constant fear. Of anything. If I see a policeman, the policeman. If I'm in the street, I'm afraid of the street."

The root of the title fears, says a friend and fellow survivor, is the big fear. "Since the Holocaust, we're convinced the universe is not the same," says David Weiss Halivni, an adjunct professor of religion at Columbia University. "There is a taint on creation and that taint may be dormant, but who knows when it will erupt and devour us? There is a crack in the earth that hasn't healed. That notion sets survivors apart. And Elie gives it expression in literature."

Wiesel's arm, after all, will always bear the number A-7713. Nightmares about ghetto life and the camps still jar him awake and, after nearly 40 years, he has given up hoping they will cease. From a survivor's standpoint, much of life after the camps seems trivial, almost unreal.

Eliezer Wiesel was born in Sighet, Romania, a small commercial town on the present-day border of the Soviet Union.

During the day I studied the Talmud, and at night I went to the synagogue to weep over the destruction of the Temple," he recounted in "Night."



Robin A. Riggs/The New York Times

"My life is a commentary on my books, not the other way around."

comes public. Two leading critics

told of declining offers to review Wiesel's book rather than make known their negative opinions, and these critics, as well as others, will speak candidly of Wiesel only when guaranteed anonymity.

They will not challenge Wiesel in public because he has survived something they never even experienced.

Says a literature professor at one of the United States' top universities, who is also a contributing editor to a major Jewish journal: "Many of us began with considerable admiration ... but with [publication of my book] 'A Beggar in Jerusalem,' I started getting very uneasy feelings. Elie's mystical and Messianic stresses had declined into mannerisms — gestures that were hollow, didn't seem convincing."

Wiesel laughs loudly when asked about his underground critics, which means it must hurt him, since it is not in his nature to laugh loudly at much. "It must be because I do not play the game," he says. "I bother them. I am so

atypical of the American Jewish

intellectual. I am not part of any group, and they all have their groups. Whatever I have, not one of them helped me. So I elude them."

"I am tormented," Wiesel says, "of being the last survivor. You have no idea how many funerals you attend for survivors. You see the same faces, except fewer and fewer of them. How many years do we have left? Five? Ten? Fifteen? On the other hand, every moment is grace. I could have died in '45. In a way I did."

His fictional characters hint at the two continuing Wiesel dilemmas: how to convey that which is impossible to convey, and how to convince people it is true.

"A survivor's testimony is more important than anything that can be written about survivors. It's important for them, important for the world. And for me, that is the most rewarding thing — to free, to open up the survivors. They live clandestinely. Why made their being most unique was something they hid. That is most tragic — to suffer and then to suffer for having suffered."

PEOPLE

John Glenn Doesn't Have Right Stuff for Yeager

John Glenn doesn't have the right stuff to lure Chuck Yeager's vote away from President Ronald Reagan. Yeager is the test pilot whose feats — including breaking the sound barrier — were chronicled along with the astronauts' exploits in the new film "The Right Stuff." He told New York magazine: "I see [Glenn] as an astronaut, not a president. I like Reagan." Only two of Glenn's fellow astronauts have spoken out on the looming presidential race: Gordon Cooper supports Glenn, while Wally Schirra backs Reagan.

Coxed by his mother, Diana, Princess of Wales, Britain's 16-month-old future king waved to a crowd, a historic moment duly recorded by the press. "Diana watched with delight and Prince Charles was almost bursting with pride," the Daily Mirror reported from Aberdeen, where the royal couple boarded plane Monday, returning from holiday at Balmoral Castle, Scotland. "They knew their son had got the hang of that most frequent and important of royal tasks." Prince William did need some encouragement to launch himself on his public relations career. "Princess Diana gave her baby son a quick lesson in how to acknowledge the cheers of admirers," The Sun reported. "The prince chuckled and beamed happily as Diana wriggled her arm to demonstrate the famous move." Meanwhile, bad news awaited the Prince of Wales when he arrived in London — one of his polo ponies, Concorde, bolted at Windsor Castle, was struck by a car and had to be shot.

The British actor Sean Connery has won libel damages in the High Court in London over a book about his life that alleged that he had engaged in deceit and fraud. His lawyer said the allegations appeared in an unauthorized biography by Kenneth Passingham and that extracts had appeared in the Sunday Express newspaper last December. David Eady, a lawyer representing Passingham and the British publishers of the book, Sidgwick & Jackson, said they apologized for any suggestion that the movie star behaved discreditably. The Sunday Express's lawyer Andrew Caldecott said the paper also apologized. They agreed to pay Connery's legal costs and a modest sum in damages.

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